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Title 3—The President

PROCLAMATION 4057

National Peace Corps Week

By the President of the United States of America

A Proclamation

This year marks the tenth anniversary of the Peace Corps, which has sent more than 45,000 volunteers overseas to serve in nearly 70 developing countries.

Few governmental organizations have so inspired and captured the imaginations of Americans both young and old. I therefore take special pleasure in complying with Senate Joint Resolution 29, requesting that the week beginning May 30, 1971, and ending June 5, 1971, be designated as National Peace Corps Week.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, do hereby designate the week of May 30 through June 5, 1971, as National Peace Corps Week; and I invite the Governors of the States and appropriate local government officials to issue similar proclamations.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of May, in the year of our Lord nineteen hundred seventy-one, and of the Independence of the United States of America the one hundred ninety-fifth.



[FR Doc.71-7781 Filed 6-1-71;12:32 pm]

Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

Temporary Boards and Commissions

Effective on June 30, 1971, paragraph (e) of § 213.3199 having expired by its own terms is revoked, reflecting termination of the White House Conference on Children and YOUTH.

(5 U.S.C. secs. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
*Executive Assistant to
the Commissioners.*

[FR Doc.71-7648 Filed 6-2-71;8:45 am]

PART 213—EXCEPTED SERVICE

Department of Defense

Section 213.3306 is amended to show that one position of Confidential Assistant to the Deputy Director of Defense Research and Engineering (Test and Evaluation) is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (6-3-71), subparagraph (40) is added to paragraph (a) of § 213.3306 as set out below.

§ 213.3306 Department of Defense.

(a) *Office of the Secretary.* * * *

(40) One Confidential Assistant to the Deputy Director of Defense Research and Engineering (Test and Evaluation).

(5 U.S.C. secs. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
*Executive Assistant to
the Commissioners.*

[FR Doc.71-7643 Filed 6-2-71;8:45 am]

PART 213—EXCEPTED SERVICE

Department of the Army

Section 213.3307 is amended to show that the position of Confidential Assistant to the Deputy Under Secretary of the Army (International Affairs) is no longer excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (6-3-71), subparagraph (3) of paragraph (a) of § 213.3307 is revoked.

(5 U.S.C. secs. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
*Executive Assistant to
the Commissioners.*

[FR Doc.71-7644 Filed 6-2-71;8:45 am]

PART 213—EXCEPTED SERVICE

Department of the Interior

Section 213.3312 is amended to remove the position of Commissioner, Federal Water Pollution Control Administration from the Department of Interior's listing of Schedule C positions.

Effective on publication in the FEDERAL REGISTER (6-3-71), paragraph (n) of § 213.3312 is revoked.

(5 U.S.C. secs. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
*Executive Assistant to
the Commissioners.*

[FR Doc.71-7647 Filed 6-2-71;8:45 am]

PART 213—EXCEPTED SERVICE

Environmental Protection Agency

Section 213.3318 is amended to show that the position of Commissioner, Water Quality Office, is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (6-3-71), paragraph (q) is added to § 213.3318 as set out below.

§ 213.3318 Environmental Protection Agency.

(q) Commissioner, Water Quality Office.
(5 U.S.C. secs. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
*Executive Assistant to
the Commissioners.*

[FR Doc.71-7645 Filed 6-2-71;8:45 am]

PART 213—EXCEPTED SERVICE

Department of Housing and Urban Development

Section 213.3384 is amended to show that (1) one position of Special Assistant to the Secretary is no longer excepted under Schedule C, and (2) one position of Staff Assistant to the Special Assistant to the Secretary for Mort-

gage Interest Rates is excepted under Schedule C.

Effective on publication in the FEDERAL REGISTER (6-3-71), subparagraph (12) is amended, and subparagraph (30) is added to paragraph (a) of § 213.3384 as set out below.

§ 213.3384 Department of Housing and Urban Development.

(a) *Office of the Secretary.* * * *

(12) Three Special Assistants to the Secretary.

(30) One Staff Assistant to the Special Assistant to the Secretary for Mortgage Interest Rates.

(5 U.S.C. secs. 3301, 3302, E.O. 10577; 3 CFR 1954-58 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
*Executive Assistant to
the Commissioners.*

[FR Doc.71-7646 Filed 6-2-71;8:45 am]

Title 7—AGRICULTURE

Chapter I—Consumer and Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

PART 51—FRESH FRUITS, VEGETABLES AND OTHER PRODUCTS (INSPECTION, CERTIFICATION AND STANDARDS)

Subpart—U.S. Standards for Grades of Potatoes

U.S. EXTRA No. 1; CORRECTION

In F.R. Doc. 70-15938 appearing in the issue of Tuesday, December 1, 1970 (35 F.R. 18257), the word "Blackheart" was inadvertently omitted under (f) of § 51.1540 in column 3 of page 18258 which is corrected to read as follows:

§ 51.1540 U.S. Extra No. 1.

(f) Free from:

- (1) Freezing;
- (2) Blackheart;
- (3) Late blight, southern bacterial wilt and ring rot; and,
- (4) Soft rot and wet breakdown.

Dated: May 28, 1971.

G. R. GRANGE,
*Deputy Administrator,
Marketing Services.*

[FR Doc.71-7732 Filed 6-2-71;8:52 am]

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

SUBCHAPTER B—FARM MARKETING QUOTAS AND ACREAGE ALLOTMENTS

[Amdt. 2]

PART 722—COTTON

Subpart—Base Acreage Allotments for 1971, 1972, and 1973 Crops of Upland Cotton

HISTORY ACREAGE OF COTTON ON THE FARM

This amendment is issued pursuant to the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq.). The purpose of this amendment is to delete the provision prohibiting adjustment of history acreage now set forth in § 722.404 (f) (2) (i) in cases of farms owned by the Federal Government with a restrictive lease prohibiting the planting of upland cotton. Such deletion will affect a limited number of federally owned farms which were acquired before 1950 for which pooling of allotments under 7 U.S.C. 1378 was not applicable.

The regulations under this subpart (36 F.R. 4853, 6733, 7509) are amended by revising paragraph (f) (2) of § 722.404 to read as follows:

§ 722.404 Definitions.

(f) *History acreage of cotton on the farm.* ***

(2) No adjustment in history acreage under subparagraph (1) of this paragraph shall be made for a farm if the cotton base acreage allotment is established in the eminent domain pool under Part 719 of this chapter.

(Secs. 301, 344a, 350, 375, 52 Stat. 38, as amended, 79 Stat. 1197, as amended, 79 Stat. 1193, as amended, 52 Stat. 66, as amended; 7 U.S.C. 1301, 1344b, 1350, 1375)

Effective date: Upon filing of this document with the Director, Office of the Federal Register.

Signed at Washington, D.C., on May 26, 1971.

CARROLL G. BRUNTHAVER,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[FR Doc.71-7682 Filed 6-2-71;8:48 am]

[Amdt. 4]

PART 725—FLUE-CURED TOBACCO

Subpart—Flue-Cured Tobacco, 1970-71 and Subsequent Marketing Years

REINSTATEMENT OF DISCOUNT VARIETY PROVISIONS

On page 7462 of the FEDERAL REGISTER of April 20, 1971, there was published a notice of proposed rule making to issue an amendment to the regulations to reinstate provisions with respect to de-

terminations of discount varieties of Flue-cured tobacco effective for the 1972 and subsequent crops. Interested persons were given 15 days after publication of such notice in which to submit written data, views, and recommendations with respect to the proposed regulations to be sure of consideration. No data, views, or recommendations were submitted pursuant to said notice.

The amendment herein is issued pursuant to and in accordance with the Agricultural Adjustment Act of 1938, as amended, and the Agricultural Act of 1949, as amended. The amendment reinstates for 1972 and subsequent crops the provisions of § 725.110 of the regulations in this subpart which was revoked for the 1971 crop.

Section 725.110 is reinstated effective for the 1972 and subsequent crops, to read as follows:

DISCOUNT VARIETIES

§ 725.110 Determination of discount varieties.

(a) *Definition.* "Discount Variety" means any of the Flue-cured tobacco seed varieties designated as Coker 139, Coker 140, Coker 316, Reams 64, or Dixie Bright 244, or a mixture or strain of such seed varieties, or any breeding line of Flue-cured tobacco seed varieties, including, but not limited to, 187-Golden Wilt (also designated by such names as No-Name, XYZ, Mortgage Lifter, Super XYZ), having the quality and chemical characteristics of the seed varieties designated as Coker 139, Coker 140, Coker 316, Reams 64, or Dixie Bright 244: *Provided*, That where there is growing in a field offtype plants of not more than 2 percent, such offtype plants shall not be considered in certifying the Flue-cured tobacco variety being produced. Flue-cured tobacco which is not certified to be discount variety shall be considered as "acceptable variety".

(b) *Producer's report.* (1) For each farm on which Flue-cured tobacco is produced in the current year, the farm operator or any producer on the farm shall file with the county office a report on MQ-32, Certification of Flue-Cured Tobacco Varieties Planted, showing whether or not discount variety tobacco was planted on the farm.

(2) If the farm operator or any producer on a farm certifies on MQ-32 that there was not planted on the farm any discount variety of Flue-cured tobacco, all of the Flue-cured tobacco produced on such farm shall be considered by the county committee to be acceptable variety tobacco. If the farm operator or any producer thereon has executed and filed a report with the county office on MQ-32, which shows there was not planted on such farm(s) in the current year, any of the discount varieties of Flue-cured tobacco, and the operator or a producer on the farm wishes to change the MQ-32 to show there was planted on such farm(s) a discount variety he may, at any time prior to the issuance of a marketing card for the farm, be permitted to file a new MQ-32 which shall supersede and replace the first MQ-32.

(3) If the farm operator or any producer on a farm certifies on MQ-32 that there was planted on the farm any discount variety of Flue-cured tobacco, all of the Flue-cured tobacco produced on such farm shall be considered by the county committee to be discount variety tobacco.

(c) *Failure to file report.* If the operator of a farm on which Flue-cured tobacco is being produced in the current years fails or refuses, within 7 days after a request of the county committee on MQ-34-1, Notice of Action Required Regarding Determination of Seed Varieties of Flue-Cured Tobacco, to file a report on MQ-32, showing whether or not there was planted any of the discount varieties of Flue-cured tobacco on such farm, all Flue-cured tobacco produced on such farm shall be considered by the county committee to be discount variety tobacco, unless the county committee finds that failure to comply with the request was due to circumstances beyond the control of the farm operator.

(d) *Notice to farm operator.* The farm operator having discount variety tobacco shall be given written notice by certified mail on MQ-34-2, Notice of Determination of Discount Variety of Flue-cured Tobacco. The notice to the farm operator shall constitute notice to all persons who as owner, operator, landlord, tenant, or sharecropper, are interested in the tobacco being grown on the farm.

(e) *Producer's right to recertify.* Any producer on a farm who received a Form MQ-34-2 notifying him that the farm has discount variety tobacco when in fact an acceptable variety is being produced may recertify on Form MQ-32.

(f) *Issuance of marketing cards.* (1) *Notation on card.* If a farm is considered to have discount variety tobacco available for marketing and the farm is eligible for price support, the county executive director shall issue MQ-76, bearing the notation "Discount Variety—Limited Price Support". If the farm is considered to have discount variety tobacco but it is not eligible for price support, the county executive director shall issue MQ-76, bearing the notation "Discount Variety—No Price Support".

(2) *Exchange of cards.* (i) Where an MQ-76, bearing the notation "Discount Variety—Limited Price Support" is issued for a farm, the card may be exchanged at the county office for an MQ-76 without the notation, or (ii) where an MQ-76, bearing the notation "Discount Variety—No Price Support" is issued for a farm the card may be exchanged at the county office for an MQ-76 with the notation "No Price Support": *Provided*, That the farm operator establishes to the satisfaction of the county committee that there has been no commingling or substitution of discount variety tobacco produced on the farm or on any other farm operated by him, and that all discount variety tobacco has been marketed or satisfactorily disposed of, or accounted for.

(3) *Cards for publicly owned expertment stations.* MQ-76 issued to identify

marketings of tobacco grown for experimental purposes by or for publicly owned experiment stations shall bear the notation "Discount Variety—Limited Price Support" if such tobacco is discount variety tobacco.

(g) *Identification of Flue-cured leaf account tobacco as acceptable variety and reports on MQ-79-1, Flue-cured.* Whenever the Director determines there is a significant amount of discount variety tobacco available for marketing in any marketing year he may cause to be initiated the provisions of this paragraph. In addition, the Director may terminate any action initiated hereunder when he determines no discount variety of Flue-cured tobacco remains available for sale during the remainder of the current marketing season. Notification to warehousemen of action required under this paragraph shall be by the State executive director.

(1) *Warehouseman.* (i) Each warehouseman who offers for auction sale any leaf account Flue-cured tobacco on a warehouse floor other than his own, and who requests the other warehouseman to identify such tobacco as being "acceptable variety" shall execute MQ-79-1 (Flue-cured), Dealer's Certification—Resale Tobacco.

(ii) Each warehouseman who is participating in the Commodity Credit Corporation price support program, and who identifies resale tobacco with a "certified" basket ticket indicating that such tobacco, by virtue of an executed MQ-79-1 (Flue-cured), is of an acceptable variety shall at the time the tobacco is weighed in have such tobacco covered by an executed MQ-79-1.

(iii) Each executed MQ-79-1 (Flue-cured) shall show the following information with respect to each lot of resale tobacco:

(a) Crop year.

(b) Name and address of warehouse where the tobacco is being offered for sale.

(c) Tobacco sale bill number and date.

(d) Date, signature of dealer and current address, and dealer identification number.

(2) *Dealer.* (i) Each dealer or any other person who offers for auction sale any resale Flue-cured tobacco on a warehouse floor which is participating in the Commodity Credit Corporation price support program and on which floor eligible resale Flue-cured tobacco is identified with a "certified" basket ticket, and who requests the warehouseman to identify his tobacco as being of an "acceptable variety", shall execute MQ-79-1 (Flue-cured), Dealer's Certification—Resale Tobacco.

(ii) Each executed MQ-79-1 (Flue-cured) shall show the following information with respect to resale tobacco:

(a) Crop year.

(b) Name and address of warehouse where the tobacco is being offered for sale.

(c) Date, signature of dealer and current address, and dealer identification number.

(d) Tobacco sale bill number and date.

(iii) Each dealer or any person who acquires acceptable variety tobacco in a manner which would make it ineligible for certification on MQ-79-1, or who has on hand both discount variety tobacco and acceptable variety tobacco, and desires to dispose of acceptable variety tobacco prior to disposing of the discount variety tobacco, may apply in writing to the State executive director for a special authorization to have the acceptable variety tobacco certified when offered for auction sale.

(h) *Estimate of production.* For any farm on which discount variety tobacco is being grown, a Form MQ-92, Estimate of Production, shall be obtained. (Secs. 375, 52 Stat. 66, 401, 63 Stat. 1054; 7 U.S.C. 1375, 1421)

Effective date. This amendment shall become effective 30 days after the date of publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on May 26, 1971.

CARROLL G. BRUNTHAVER,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[FR Doc.71-7678 Filed 6-2-71;8:48 am]

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

[Valencia Orange Reg. 351]

PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 908.651 Valencia Orange Regulation 351.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908, 35 F.R. 16625), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of

this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on June 1, 1971.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period June 4, 1971, through June 10, 1971, are hereby fixed as follows:

(i) District 1: 240,000 cartons;

(ii) District 2: 442,000 cartons;

(iii) District 3: 68,000 cartons.

(2) As used in this section, "handler", "District 1", "District 2", "District 3", and "carton" have the same meaning as when used in said amended marketing agreement and order.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: June 2, 1971.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[FR Doc.71-7859 Filed 6-2-71;11:21 am]

[Lemon Reg. 481, Amdt. 1]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910 as amended (7 CFR Part 910), regulating the handling of lemons

grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient, and this amendment relieves restriction on the handling of lemons grown in California and Arizona.

(b) *Order, as amended.* The provisions in paragraph (b) (1) (ii) of § 910.781 (Lemon Reg. 481, 36 F.R. 9289) during the period May 23, 1971, through May 29, 1971, are hereby amended to read as follows:

§ 910.781 Lemon Regulation 481.

- (b) *Order.* (1) * * *
(ii) District 2: 285,000 cartons.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: May 27, 1971.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable
Division, Consumer and Mar-
keting Service.

[FR Doc. 71-7677 Filed 6-2-71; 8:48 am]

[Lime Reg. 5; Reg. 4 Terminated]

PART 944—FRUIT; IMPORT
REGULATIONS

Limes

§ 944.204 Lime Regulation 5.

(a) On and after the effective date of this section, the importation into the United States of any limes is prohibited unless such limes are inspected and meet the following requirements:

(1) Such limes of the group known as true limes (also known as Mexican, West Indian, and Key limes and by other synonyms), meet the requirements of at least U.S. No. 2 grade for Persian (Tahiti) limes, except as to color;

(2) Such limes of the group known as large-fruited or Persian limes (including Tahiti, Bearss, and similar varieties) grade at least 85 percent U.S. No. 1 quality, except as to color: *Provided,*

That an aggregate area of three-fourths of the surface of each fruit shall meet the minimum color requirement for "mixed color": *And provided further,* That stem length shall not be considered a factor of grade, and tolerances for fruit affected by decay and for fruit failing to meet color requirements set forth in the U.S. Standards for Persian (Tahiti) Limes, shall apply;

(3) Such limes of the group known as large fruited or Persian limes (including Tahiti, Bearss, and similar varieties) are of a size not smaller than 1 7/8 inches in diameter; and

(4) Notwithstanding the provisions of subparagraph (3) of this paragraph, not to exceed 10 percent, by count, of limes in any lot of containers may fail to meet the applicable size requirement: *Provided,* That no individual container of limes having a net weight of more than 4 pounds may have more than 15 percent, by count, of limes which fail to meet such applicable size requirement:

(b) The Federal or Federal-State Inspection Service, Fruit and Vegetable Division, Consumer and Marketing Service, U.S. Department of Agriculture, is hereby designated as the governmental inspection service for the purpose of certifying the grade, size, quality, and maturity of limes that are imported into the United States. Inspection by the Federal or Federal-State Inspection Service with appropriate evidence thereof in the form of an official inspection certificate, issued by the respective service, applicable to the particular shipment of limes, is required on all imports of limes. Such inspection and certification services will be available upon application in accordance with the rules and regulations governing inspection and certification of fresh fruits, vegetables, and other products (Part 51 of this title) but, since inspectors are not located in the immediate vicinity of some of the small ports of entry, such as those in southern California, importers of limes should make arrangements for inspection, through the applicable one of the following offices, at least the specified number of days prior to the time when the limes will be imported:

Ports	Office	Advance notice
All Texas points...	L. M. Denbo, 506 South Nebraska St., San Juan, TX 78589 (Phone—512-787-4091),	1 day.
	or	
	A. D. Mitchell, Room 516, U.S. Courthouse, El Paso, Tex. 79901 (Phone—915-533-9351, Ext. 5340).	Do.
All New York points.	Edward J. Beller, Room 28A, Hunts Point Market, Bronx, N.Y. 10474 (Phone—212-931-7663 and 7669),	Do.
	or	
	Charles D. Renick, 178 Niagara Frontier Food Terminal, Room 8, Buffalo, N.Y. 14206 (Phone—716-824-1555):	Do.

Ports	Office	Advance notice
All Arizona points.	B. O. Morgan, 225 Terrace Ave., Nogales, AZ 85021 (Phone—602-237-2932).	Do.
All Florida points.	Lloyd W. Bonney, 1359 Northwest 12th Ave., Room 633, Miami, FL 33139 (Phone—305-371-2371),	Do.
	or	
	Hubert S. Flynt, 776 Warner Lane, Orlando, FL 32812 (Phone—305-841-2141),	Do.
	or	
	Kenneth C. McCourth, Unit 49, 335 Bright Ave., Jacksonville, FL 32205 (Phone—904-351-6583).	Do.
All California points.	Daniel P. Thompson, 784 South Central Ave., Room 234, Los Angeles, CA 90012 (Phone—213-622-8750).	3 days.
All Louisiana points.	Pascal J. Lamarea, 5027 Federal Office Bldg., 701 Loyola Ave., New Orleans, LA 70013 (Phone—504-527-6741 and 6742).	1 day.
All other points...	D. S. Matheson, Fruit and Vegetable Division, Consumer and Marketing Service, U.S. Department of Agriculture, Washington, D.C. 20250 (Phone—202-339-6370).	3 days.

(c) Inspection certificates shall cover only the quantity of limes that is being imported at a particular port of entry by a particular importer.

(d) The inspection performed, and certificates issued, by the Federal or Federal-State Inspection Service shall be in accordance with the rules and regulations of the Department governing the inspection and certification of fresh fruits, vegetables, and other products (Part 51 of this title). The cost of any inspection and certification shall be borne by the applicant therefor.

(e) Each inspection certificate issued with respect to any limes to be imported into the United States shall set forth, among other things:

- (1) The date and place of inspection;
 - (2) The name of the shipper, or applicant;
 - (3) The commodity inspected;
 - (4) The quantity of the commodity covered by the certificate;
 - (5) The principal identifying marks on the container;
 - (6) The railroad car initials and number, the truck and the trailer license number, the name of the vessel, or other identification of the shipment; and
 - (7) The following statement if the facts warrant: "Meets U.S. import requirements under section 8e of the Agricultural Marketing Agreement Act of 1937, as amended."
- (f) Notwithstanding any other provision of this section, any importation of limes which, in the aggregate does not exceed 250 pounds, net weight, may be imported without regard to the restrictions specified herein.

(g) No provisions of this section shall supersede the restrictions or prohibitions on limes under the Plant Quarantine Act of 1912.

(h) Nothing contained in this section shall be deemed to preclude any importer from reconditioning prior to importation any shipment of limes for the purpose of making it eligible for importation.

(i) The terms used herein relating to grade and diameter shall have the same meaning as when used in the U.S. Standards for Persian (Tahiti) Limes (§§ 51.1000-51.1016 of this title). Importation means release from custody of the U.S. Bureau of Customs.

(j) Lime Regulation 4 (35 F.R. 17107 36 F.R. 7002) is hereby terminated at the effective time hereof.

It is hereby found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective time of this regulation beyond that herein-after specified (5 U.S.C. 553) in that (a) the requirements of this import regulation are imposed pursuant to section 8e of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), which makes such regulation mandatory; (b) such regulation imposes the same restrictions as are being made applicable to domestic shipments of limes under Lime Regulations 30 (§ 911.332), which becomes effective June 7, 1971; (c) compliance with this import regulation will not require any special preparation which cannot be completed by the effective time hereof; (d) notice hereof in excess of three days, the minimum that is prescribed by section 3e, is given with respect to such regulation; and (e) such notice is hereby determined under the circumstances, to be reasonable.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated May 27, 1971, to become effective June 7, 1971.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable
Division, Consumer and Mar-
keting Service.

[FR Doc.71-7731 Filed 6-2-71;8:52 am]

Chapter X—Consumer and Marketing Service (Marketing Agreements and Orders; Milk), Department of Agriculture

[Milk Orders Nos. 90, 98, 103, 104, 106, 121, 130]

MILK IN CHATTANOOGA, TENN., AND CERTAIN OTHER MARKETING AREAS

Order Suspending Certain Provisions

This suspension order is issued pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), with respect to the orders regulating the handling of milk in the Chattanooga, Tenn.; Nashville, Tenn.; Mississippi;

Red River Valley; and Oklahoma Metropolitan marketing areas. This order does not suspend any provision of the orders regulating the handling of milk in the South Texas and Corpus Christi marketing areas.

Notice of proposed rule making was published in the FEDERAL REGISTER (36 F.R. 7318) concerning a proposed suspension of certain provisions of the seven above-named orders. Interested persons were afforded opportunity to file written data, views, and arguments thereon.

After consideration of all relevant material, including the proposal set forth in the aforesaid notice, data, views, and arguments filed thereon, and other available information, it is hereby found and determined that pending public hearing procedure on proposed revisions of the order in this respect, the following provisions of the orders do not tend to effectuate the declared policy of the Act:

PART 1090—MILK IN CHATTANOOGA, TENN., MARKETING AREA

1. In § 1090.11, paragraph (b) (1).
2. In § 1090.74(a), the word "pool" wherever appearing.

PART 1098—MILK IN NASHVILLE, TENN., MARKETING AREA

1. In § 1098.11, paragraph (c).
2. In § 1098.53(a) the word "pool" preceding the word "plant."
3. In § 1098.83(b), the word "pool" wherever appearing.

PART 1103—MILK IN MISSISSIPPI MARKETING AREA

1. In § 1103.11, paragraph (c).
2. In § 1103.15, in the introductory text, "Provided, That milk diverted in accordance with the provisions of said paragraph shall be deemed to have been received by the diverting handler at the location of the pool plant from which it was diverted and."
3. In § 1103.53(a) the word "pool" preceding the word "plant."
4. In § 1103.92(a), the word "pool" wherever appearing.

PART 1104—MILK IN RED RIVER VALLEY MARKETING AREA

1. In § 1104.52(a) the word "pool" preceding the word "plant."
2. In § 1104.63, paragraphs (b) and (c).
3. In § 1104.63(d) the words "during the months of September through December."
4. In § 1104.74, the word "pool" preceding the word "plant."

PART 1106—MILK IN OKLAHOMA METROPOLITAN MARKETING AREA

1. In § 1106.9, paragraph (c).
2. In § 1106.11, the portion of paragraph (c) which reads: "which owns or

operates a plant described in § 1106.9(c)."

3. In § 1106.12, the words appearing in the second sentence "and milk so diverted shall be deemed to have been received at the pool plant from which diverted for the purpose of determining location differentials pursuant to § 1106.81."

4. In § 1106.53(a) the word "pool" which precedes the word "plant."

5. In § 1106.81(a), the word "pool" in both instances where it precedes the word "plant."

Statement of consideration. This order suspends (1) from the Oklahoma Metropolitan, Nashville, and Mississippi orders the provisions under which cooperative associations may designate for pool plant status plants they operate without any requirement to ship milk therefrom to the market; (2) from the Oklahoma Metropolitan, Red River Valley, Nashville, Mississippi, and Chattanooga orders the provisions that provide that the pricing point for producer milk diverted from the market is the plant from which it is diverted; and (3) from the Red River Valley order the provision which allows unlimited diversion during certain months of the year.

Basically, a Federal milk order is designed to establish minimum prices to be paid to milk producers in order to insure an adequate quantity of pure and wholesome milk for a marketing area. It accomplishes this end by establishing orderly marketing conditions by classifying and pricing milk according to its use and by providing an equitable pooling of the returns among all producers for the market to provide a uniform return to all producers in the form of a uniform blend price. The types of provisions included in the various orders differ depending on the marketing conditions involved and were included in the order to assure that equity is created in the pooling of the milk of all producers. As marketing conditions change then also provisions in the orders need to be changed.

Some supplies of milk normally associated with the milk market are not needed to meet the daily fluid milk requirements of milk distributors. This is the result of daily, weekly, and seasonal fluctuation of milk supplies and milk sales. The cooperative in many markets receives at its plant much of this reserve supply not needed by the milk handlers at any particular time. This is normally called "balancing the supply" for the market. To allow the cooperative association to perform this function and at the same time guarantee its members delivering this reserve milk a market at going market prices automatic pooling status to certain cooperative milk plants as well as the privilege of the cooperative to divert milk at marketing area prices, were provided in the orders because only by that means under the marketing conditions prevailing at that time could equity between members and nonmembers of cooperatives be assured. Adequate provision was also made by other terms

of the order for the pooling of any additional milk supplies which might actually be needed in the market.

It is now found that the automatic cooperative pool plant provisions and the provisions for the payment of the f.o.b. market prices on diverted milk are being used as the means of pooling substantial quantities of milk not previously a part of the market's supply and which in fact are not actually needed or shipped to the market.

This has been accomplished by the cooperatives shipping milk from distant sources for as little as 1 day to their plants having automatic pooling status. The milk thereafter was shipped directly from the farm to the nonpool plant from which it originated near the source of production. It was utilized in that nonpool plant for manufacturing purposes before being pooled and now continues to be used at that plant for manufacturing purposes. Nevertheless, the cooperative draws out of the pool the f.o.b. market blend price for such milk because the five orders, which are the subject of suspension action herein, provide that diverted milk is presumed to be received, for pricing purposes, at the marketing area pool plant from which it is diverted rather than the nonpool plant where it is actually received. The automatic pool plant and diverted milk pricing provisions, used together, provide the economic incentive for large quantities of milk delivered at plants in distant areas to be pooled in these orders, although not needed, without actually any milk being shipped to the market.

For example, under such provisions in the Oklahoma Metropolitan order such milk has been pooled because of as little as 1 day's delivery to a cooperative's marketing area plant having automatic pool plant status and then "diverted" to the manufacturing plant with which it had previously been associated. The milk, because it is used for manufacturing, is accounted for in the pool at the lower Class II price. As a result the average or "blend" price for all milk in the Oklahoma Metropolitan pool has been reduced. The blend price was reduced further because the milk was credited to the cooperative at the f.o.b. Oklahoma price instead of at the lower price applicable to the location of the plant at which it was actually delivered.

The situation in March 1971 is an example of how this is accomplished. Some of the distant milk supplies thus pooled in the Oklahoma market were produced and normally utilized for manufacture in central Wisconsin. The Oklahoma f.o.b. market blend price of \$5.62 per hundredweight is the price for that milk at which the cooperative is given credit in the Oklahoma pool. The Chicago blend price in the central Wisconsin area for milk being delivered to Chicago, and which can be considered a competitive price in that area, was \$5.07 per hundredweight. If this milk had actually been shipped to Oklahoma the cost of shipment would have more than offset this difference of 55 cents. But the milk was not actually shipped; therefore,

the cooperative did not have this cost. The cooperative, under the terms of the Act, is not required to pay the minimum price to its members and needed to pay only approximately the competitive price in the central Wisconsin area. Therefore, it had the advantage of approximately all of the 55 cents difference in price. The pooling of this milk and other distant milk reduced the Oklahoma blend price in March 1971 about 45 cents per hundredweight. The producer who was not a member of the cooperative received this announced price (\$5.62 per hundredweight) exclusive of any premium which his handler might have paid him. The cooperative, on the other hand, paid its member producers delivering directly to Oklahoma more than \$5.62, and this was accomplished without additional cost to the cooperative. The exact amount is difficult to determine because the cooperative pays on a base and excess plan.

Somewhat the same kind of pooling of distant and unshipped milk supplies is taking place under the Nashville and Mississippi orders with essentially the same results on the blend prices to producers in those orders. As in Oklahoma, after limited delivery to the market, the distant milk is not shipped to the marketing area but is retained in its originating area and continues to be used for manufacturing products.

Essentially the same effect was also accomplished in the Red River Valley market by the use of the provision which provides for unlimited diversion of producer milk for the months of January through August. Again, this provision was included in the order to provide the local cooperative with a means to perform the market's balancing functions. This provision is now being used to pool additional and unneeded supplies with as little as 1 day's shipment to the marketing area and then diverting the milk to plants not shipping any milk to the Red River Valley market.

It is to be noted that these five orders make adequate provision for pooling any additional milk supplies needed to supply the market's fluid needs. The provisions herein suspended are not needed for this purpose as other provisions in the orders are still available if additional supplies are required in the markets. Moreover, with today's changed marketing conditions, particularly the regionalization of cooperatives and their reblending of proceeds from the sale of milk over wide areas, the cooperatives will still be able to continue to perform the markets' balancing functions.

The above pooling practices are not limited to the examples cited but involve varying periods of time and varying quantities of milk in each of the five subject markets. The potential for their continuation would extend indefinitely unless the subject orders are modified.

It is hereby found and determined necessary, by reason of the fact that the actions previously referred to are permissible under the provisions to be suspended herein, that prompt suspension action to be taken to provide, to the extent possible by this means, relief from the adverse effects resulting from

the manner in which these provisions are presently being used. It is concluded from the data, views, and argument submitted and other available information that this suspension action will not interfere unduly with the marketing arrangements of cooperatives or the handling of normal market requirements for milk in the markets affected. Similar action will be taken in any other market or markets if and when circumstances warrant.

Action is reserved with respect to the provisions of the Corpus Christi and South Texas orders proposed to be suspended in the notice issued April 13, 1971, by the Deputy Administrator, Regulatory Programs, Consumer and Marketing Service (36 F.R. 7318). Although some additional milk supplies have been added to these markets, the shifting of supplies here may involve basically a supply adjustment to equalize the burden of the reserve milk supplies among these and other nearby markets. Similarly, no suspension action is now taken with respect to a similar provision in the Chattanooga order. Suspension action as to these orders can be reconsidered as may be necessary at a future time.

Data, views, and arguments were invited from interested parties. Suspension of these provisions from the specified orders was opposed by the regional cooperatives operating in the several markets. These cooperatives submitted few facts, data, or views with respect to conditions in the markets in question, but rather mainly raised questions of a general nature with respect to the marketing order program, contending that the provisions proposed for suspension are not significantly different from corresponding provisions in many other Federal orders where no suspension action is being considered at this time. The cooperatives also allege that any revision of these order provisions should result from formal amendatory hearing procedure. On the other hand suspension was favored in submissions by producers and handlers who asserted substantial injury by reason of conditions in their markets.

Notice has been issued to all interested parties in such markets inviting proposals for consideration at public hearings to amend the orders in relation to the milk handling problems involved here. Hearing proposals may be filed by June 1, 1971. A hearing is contemplated soon after these proposals are received.

No action need be taken to suspend a provision of the Nashville order (Part 1098) inadvertently appearing in the notice of proposed suspension or termination and reading as follows:

1. In § 1098.7 "Milk so diverted shall be deemed to have been received at the pool plant from which diverted if for the account of the handler operating such pool plant or at a pool plant at the location of the pool plant from which diverted if for the account of a cooperative association."

Such language was deleted previously by amendment action dated August 25, 1970, and published in *FEDERAL REGISTER* August 29, 1970 (35 F.R. 13784).

It is hereby found and determined that 30 days' notice of the effective date hereof is impractical, unnecessary, and contrary to the public interest in that:

(a) This suspension is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing areas by providing prompt relief from the adverse effects upon producer prices pending amendment hearings;

(b) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date; and

(c) Notice of proposed rule making was given interested parties and they were afforded opportunity to file written data, views, or arguments concerning this suspension.

Therefore, good cause exists for making this order effective June 15, 1971.

It is therefore ordered, That the aforesaid provisions of the orders are hereby suspended beginning June 15, 1971, for an indefinite period.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Effective date: June 15, 1971.

Signed at Washington, D.C., on May 28, 1971.

RICHARD E. LYNG,
Assistant Secretary.

[FR Doc.71-7730 Filed 6-2-71;8:52 am]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[CCC Grain Price Support Regs., 1971.
Crop Oat Supp.]

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

Subpart—1971 Crop Oat Loan and Purchase Program

Correction

In F.R. Doc. 71-7016 appearing at page 9236 in the issue for Friday, May 21, 1971, the following changes should be made in § 1421.274(a):

1. The Idaho county listed as "Booner" should read "Bonner".
2. The rate per bushel for Howell County, Mo., now reading "\$0.58", should read "\$0.62".

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. Y]

PART 222—BANK HOLDING COMPANIES

Nonbanking Activities of Bank Holding Companies

By notice of proposed rule making published in the *FEDERAL REGISTER* on

January 29, 1971 (36 F.R. 1430), the Board of Governors proposed to implement its regulatory authority under section 4(c) (8) of the Bank Holding Company Act to permit holding companies to engage directly or through a subsidiary in activities that are "so closely related to banking or managing or controlling banks as to be a proper incident thereto." A hearing was held before members of the Board on April 14, 1971, regarding all issues raised by the proposals, except the extent to which data processing and insurance agency activities are closely related to banking.

Following consideration of the comments received and the record of the hearing, as its initial implementation of its authority under section 4(c) (8) of the Act as revised by the 1970 amendments to the Act, the Board has amended § 222.4 (a), (b), and (c) of Regulation Y to read as set forth below, effective June 15, 1971. (Former paragraphs (b) and (c) were nonsubstantive.) An accompanying interpretation expresses the Board's views on several questions that arose during the course of its consideration of this matter.

§ 222.4 Nonbanking activities.

(a) *Activities closely related to banking or managing or controlling banks.* In accordance with the procedures set forth in paragraphs (b) and (c) of this section, any bank holding company may engage, or retain or acquire an interest in a company that engages, solely in one or more of the activities specified below, including such incidental activities as are necessary to carry on the activities so specified. Any bank holding company that is of the opinion that other activities in the circumstances surrounding a particular case are closely related to banking or managing or controlling banks may file an application in accordance with the procedures set forth in paragraph (b) (2) of this section. As to such an application, the Board will publish in the *FEDERAL REGISTER* a notice of opportunity for hearing only if it believes that there is a reasonable basis for the holding company's opinion. The following activities have been determined by the Board to be so closely related to banking or managing or controlling banks as to be a proper incident thereto:

(1) Making or acquiring, for its own account or for the account of others, loans and other extensions of credit (including issuing letters of credit and accepting drafts), such as would be made, for example, by a mortgage, finance, credit card, or factoring company;¹

(2) Operating as an industrial bank, Morris Plan bank, or industrial loan company, in the manner authorized by State law so long as the institution does not both accept demand deposits and make commercial loans;

(3) Servicing loans and other extensions of credit for any person;

¹ Operating a savings and loan association is not regarded by the Board as within the description of this activity. Whether to propose expanding activity (2) to include operating that type of financial institution is under consideration by the Board.

(4) Performing or carrying on any one or more of the functions or activities that may be performed or carried on by a trust company (including activities of a fiduciary, agency, or custodian nature), in the manner authorized by State law so long as the institution does not both accept demand deposits and make commercial loans;²

(5) Acting as investment or financial adviser, including (i) serving as the advisory company for a mortgage or a real estate investment trust and (ii) furnishing economic or financial information;³

(6) Leasing personal property and equipment, or acting as agent, broker, or adviser in leasing of such property, where at the inception of the initial lease the expectation is that the effect of the transaction and reasonably anticipated future transactions with the same lessee as to the same property will be to compensate the lessor for not less than the lessor's full investment in the property;

(7) Making equity and debt investments in corporations or projects designed primarily to promote community welfare, such as the economic rehabilitation and development of low-income areas.³

(b) (1) *De novo entry.* A bank holding company may engage de novo (or continue to engage in an activity earlier commenced de novo) directly or indirectly, solely in activities described in paragraph (a) of this section, 45 days after the company has furnished its Reserve Bank with a copy of a notice of the proposal (in substantially the same form as F.R. Y-4A) published within the preceding 30 days in a newspaper of general circulation in the communities to be served, unless the company is notified to the contrary within that time or unless it is permitted to consummate the transaction at an earlier date on the basis of exigent circumstances of a particular case. If adverse comments of a substantive nature are received by the Reserve Bank within 30 days after the company has so published its proposal,⁴ or if it otherwise appears appropriate in a particular case, the Reserve Bank may inform the company that (i) the proposal shall not be consummated until specifically authorized by the Reserve Bank or by the Board or (ii) the proposal should

² Acting as investment adviser to an open-end investment company or as a management consultant is not regarded by the Board as within the description of this activity. Whether to propose expanding activity (5) to include acting in either or both of those capacities is under consideration by the Board.

³ Investing in an industrial development corporation is not regarded by the Board as within the description of this activity. Whether to propose adding that and other activities to the list is under consideration.

⁴ If a Reserve Bank decides that adverse comments are not of a substantive nature, the person submitting the comments may request review by the Board of that decision in accordance with the provisions of § 265.3 of the Board's Rules Regarding Delegation of Authority (12 CFR 265.3) by filing a petition for review with the Secretary of the Board.

[Reg. Y]

PART 222—BANK HOLDING COMPANIES**Nonbanking Activities of Bank Holding Companies****§ 222.123 Activities closely related to banking.**

be processed in accordance with the procedures of subparagraph (2) of this paragraph.

(2) *Acquisition of going concern.* A bank holding company may apply to the Board to acquire or retain the assets of or shares in a company engaged solely in activities described in paragraph (a) of this section by filing an application with its Reserve Bank (Form F.R. Y-4). Every such application shall be accompanied by a copy of a notice of the proposal (in substantially the same form as F.R. Y-4B) published within the preceding 30 days in a newspaper of general circulation in the communities to be served. The Board will publish in the FEDERAL REGISTER notice of any such application and will give interested persons an opportunity to express their views (including, where appropriate, by means of a hearing) on the question whether performance of the activity proposed by the holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.

(c) *Tie-ins, alterations, relocations, consolidations.* Except as otherwise provided in an order in a particular case, the following conditions shall apply with respect to every acquisition consummated or activity engaged in on the authority of section 4(c) (8) of the Act: (1) The provision of any credit, property or services involved shall not be subject to any condition which, if imposed by a bank, would constitute an unlawful tie-in arrangement under section 106 of the Bank Holding Company Act Amendments of 1970; (2) the activities involved shall not be altered in any significant respect from those considered by the Board in making the determination, nor provided at any location other than those described in the notice published with respect to such determination, except upon compliance with the procedures of paragraph (b) (1) of this section; and (3) no merger, or acquisition of assets other than in the ordinary course of business, to which the acquired company is a party shall be consummated without prior Board approval, if thereafter the bank holding company will continue to own, directly or indirectly, more than 5 percent of the voting shares of such company or its successor.

* * *
Effective date: June 15, 1971.

By order of the Board of Governors,
May 20, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[FR Doc.71-7657 Filed 6-2-71; 8:46 am]

(a) Effective June 15, 1971, the Board of Governors has amended § 222.4(a) of Regulation Y to implement its regulatory authority under section 4(c) (8) of the Bank Holding Company Act. In some respects activities determined by the Board to be closely related to banking are described in general terms that will require interpretation from time to time. The Board's views on some questions that have arisen are set forth below.

(b) Section 222.4(a) states that a company whose ownership by a bank holding company is authorized on the basis of that section may engage solely in specified activities. That limitation refers only to activities the authority for which depends on section 4(c) (8) of the Act. It does not prevent a holding company from establishing one subsidiary to engage, for example, in activities specified in § 222.4(a) and also in activities that fall within the scope of section 4(c) (1) (C) of the Act—the "servicing" exemption.

(c) The amendments to § 222.4(a) do not apply to restrict the activities of a company previously approved by the Board on the basis of section 4(c) (8) of the Act. Activities of a company authorized on the basis of section 4(c) (8) either before the 1970 Amendments or pursuant to the amended § 222.4(a) may be shifted in a corporate reorganization to another company within the holding company system without complying with the procedures of § 222.4(b), as long as all the activities of such company are permissible under one of the exemptions in section 4 of the Act.

(d) Permissible leasing activities are limited to transactions where the lease is the functional equivalent of an extension of credit to the lessee. Accordingly, a company may engage in leasing under § 222.4(a) if, at the time of the acquisition of the property by the lessor, there is a lease agreement that will yield a return from (1) rentals, (2) estimated salvage value at the end of the minimum useful life allowed by the Internal Revenue Service, and (3) estimated tax benefits (investment tax credit and tax deferral from accelerated depreciation) that would result in full recovery of the lessor's acquisition cost. The Board understands that by law some municipal corporations may not enter into a lease for a period in excess of 1 year. Such an impediment does not disqualify a company authorized under § 222.4(a) from entering into a lease with the municipality if the company reasonably anticipates that the municipality will renew the lease annually until such time as the company is fully compensated for its investment in the leased property. A company authorized under § 222.4(a) may also engage in so-called "bridge" lease financing where the lease is short term pending completion of long-term financing, by the same or another lender.

(e) The authority of holding companies under § 222.4(a) to invest in corporations designed to promote the welfare of their community is intended to permit holding companies to fulfill their civic responsibilities. Under that authority a holding company may invest in community development corporations established pursuant to Federal or State law. It may also participate in other civic projects, such as a municipal parking facility sponsored by a local civic organization as a means to promote greater use by the public of the community's facilities. It does not, however, authorize investments (for example, ownership of an apartment complex) that are entered into to a substantial extent for profit even though to some extent the investment will benefit the community.

(f) Under the procedures in § 222.4(c), a holding company that wishes to change the location at which it engages in activities authorized pursuant to § 222.4(a) must publish notice in a newspaper of general circulation in the community to be served. The Board does not regard minor changes in location as within the coverage of that requirement. A move from one site to another within move from one site to another within a 1-mile radius would constitute such a minor change if the new site is in the same State.

(Interprets and applies 12 U.S.C. 1843(c) (8))

By order of the Board of Governors,
May 20, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[FR Doc.71-7658 Filed 6-2-71; 8:46 am]

PART 265—RULES REGARDING DELEGATION OF AUTHORITY**Nonbank Acquisitions by Certain One-Bank Holding Companies**

Effective March 18, 1971, the Board implemented its authority to impose conditions upon bank holding company acquisitions and expansions on the basis of section 4(c) (12) of the Bank Holding Company Act. Under the amendment, acquisitions of a going concern by a company that became a bank holding company as a result of the 1970 amendments and has elected to divest itself of its bank may normally be made following a simple notification procedure. The Board has

delegated to the Reserve Banks authority to administer that procedure.

The delegation is reflected in the following amendment to § 265.2(f) of the Board's Rules Regarding Delegation of Authority:

§ 265.2 Specific functions delegated to Board employees and Federal Reserve Banks.

(f) Each Federal Reserve Bank is authorized, as to member banks or other indicated organizations headquartered in its district:

(19) Under § 222.4(d) of this chapter (Regulation Y),

(i) To notify a bank holding company that has informed it of a proposed acquisition of a going concern that, because the circumstances surrounding the application indicate that additional information is required or that the acquisition should be considered by the Board, the acquisition should not be consummated until specifically authorized by the Reserve Bank or by the Board.

(ii) To permit a bank holding company that has informed it of a proposed acquisition of a going concern to make the acquisition before the expiration of the 45-day period referred to in that paragraph, because exigent circumstances justify consummation of the acquisition at an earlier time.

Effective date. This amendment is effective May 21, 1971.

By order of the Board of Governors, May 13, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[FR Doc.71-7659 Filed 6-2-71;8:46 am]

PART 265—RULES REGARDING DELEGATION OF AUTHORITY

Nonbank Activities Commenced de novo

Effective June 15, 1971, the Board has implemented its authority under section 4(c) (8) of the Bank Holding Company Act to permit holding companies to engage directly or through a subsidiary in activities that are "so closely related to banking or managing or controlling banks as to be a proper incident thereto." As permitted by section 4(c) (8), the Board differentiated in the procedures that holding companies must follow in expanding their activities under section 4(c) (8) between activities commenced de novo and activities commenced by the acquisition of a going concern.

The Board has delegated to the Reserve Banks authority to permit holding companies to engage de novo in activities the Board has determined to be closely related to banking.

The delegation is reflected in the following amendment to § 265.2(f) of the Board's Rules Regarding Delegation of Authority:

§ 265.2 Specific functions delegated to Board employees and Federal Reserve Banks.

(f) Each Federal Reserve Bank is authorized, as to member banks or other indicated organizations headquartered in its district:

(20) Under § 222.4(b) (1) of this chapter (Regulation Y), and subject to § 265.3 if a person submitting adverse comments that the Reserve Bank has decided are not substantive files a petition for review by the Board of that decision,

(i) To permit a bank holding company that has furnished it with a copy of a duly published notice of a proposal to engage de novo in activities specified in § 222.4(a) of this chapter (or retain shares in a company established de novo and engaging in such activities) if its evaluation of the considerations specified in section 4(c) (8) of the Bank Holding Company Act leads it to conclude that the proposal can reasonably be expected to produce benefits to the public.

(ii) To notify a bank holding company that has furnished it with a duly published notice of the kind described in subdivision (i) of this subparagraph that the proposal should not be consummated until specifically authorized by the Reserve Bank or by the Board or that the proposal should be processed in accordance with the procedures of § 222.4(b) (2) of this chapter.

(iii) To permit a bank holding company that has furnished it with a duly published notice of the kind described in subdivision (i) of this subparagraph to consummate the proposal before the expiration of the 45-day period referred to in § 222.4(b) (1) of this chapter, because exigent circumstances justify consummation at an earlier time.

(21) Under § 222.4(c) (2) of this chapter (Regulation Y) to permit or stay a proposed de novo modification or relocation of activities engaged in by a bank holding company on the same basis as de novo proposals under subparagraph (20) of this paragraph.

Effective date. This amendment is effective June 15, 1971.

By order of the Board of Governors, May 20, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[FR Doc.71-7656 Filed 6-2-71;8:46 am]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Administration, Department of Transportation
[Docket No. 71-CE-16-AD; Amdt. 39-1222]

PART 39—AIRWORTHINESS DIRECTIVES

Beech 99 Series Airplanes

The following Airworthiness Directives Currently affect Beech Models 99 and

99A airplanes, namely: AD 69-6-6 (Amendments 39-740 and 39-757), AD 69-8-2 (Amendments 39-744 and 39-758), AD 69-13-5 (Amendment 39-790), AD 69-15-10 (Amendment 39-806), AD 69-16-3 (Amendment 39-811), AD 69-16-6 (Amendment 39-818), AD 69-18-6 (Amendments 39-834 and 39-875), AD 69-18-7 (Amendment 39-836), AD 69-18-8 (Amendment 39-839), AD 69-23-7 (Amendment 39-876), AD 69-24-2 (Amendment 39-879), AD 70-10-1 (Amendment 39-986), AD 70-23-6 (Amendment 39-1108), AD 71-5-3 (Amendment 39-1159), and AD 71-6-1 (Amendment 39-1170).

As a result of corrective action taken by the manufacturer, inspections and modifications performed on the airplane and changes made to the appropriate type design data, type certificate data sheet, airplane flight manual, maintenance manual, equipment list and parts manual, the objectives of certain of the aforementioned ADs have been accomplished. Accordingly, ADs 69-13-5, 69-15-10, 69-16-3, 69-16-6, 69-18-6, 69-18-7, 69-18-8, and 69-23-7 are being rescinded. These rescissions are set forth in paragraph A of this AD.

In addition, following the introduction of new model designs of the Beech 99 series airplanes it is necessary to change the applicability statements of ADs 69-6-6, 69-8-2, 69-24-2, 70-10-1, 70-23-6, 71-5-3, and 71-6-1 to reflect that these ADs are applicable to all Beech 99 series airplanes. These changes are set forth in paragraph B of this AD.

Based on comments received from the public it will be necessary to further revise ADs 69-24-2 and 70-23-6 by clarifying the contents thereof. These two ADs will be amended in the near future to reflect these changes.

Since this amendment relieves restrictions and provides clarification, it imposes no additional burden on any person. Consequently, notice and public procedure hereon are unnecessary and the amendment may be made effective in less than thirty (30) days.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (31 F.R. 13697); § 39.13 of Part 39 of the Federal Aviation Regulations is amended as follows:

(A) ADs 69-13-5 (Amendment 39-790), 69-15-10 (Amendment 39-806), 69-16-3 (Amendment 39-811), 69-16-6 (Amendment 39-818), 69-18-6 (Amendments 39-834 and 39-875), 69-18-7 (Amendment 39-836), 69-18-8 (Amendment 39-839) and 69-23-7 (Amendment 39-876) are hereby rescinded.

(B) The applicability statements of ADs 69-6-6 (Amendments 39-740 and 39-757), 69-8-2 (Amendments 39-744 and 39-758), 69-24-2 (Amendment 39-879), 70-10-1 (Amendment 39-986), 70-23-6 (Amendment 39-1108), 71-5-3 (Amendment 39-1159, and 71-6-1 (Amendment 39-1170) are hereby amended to delete reference to Models 99 and 99A airplanes, where it appears and substitute therefore: "All 99 series airplanes".

This amendment becomes effective June 3, 1971.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1423; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Kansas City, Mo., on May 24, 1971.

JOHN A. HARGRAVE,
Acting Director, Central Region.

[FR Doc.71-7684 Filed 6-2-71;8:48 am]

[Docket No. 71-EA-74; Amdt. 39-1221]

PART 39—AIRWORTHINESS DIRECTIVES

Cleveland Aircraft Products

The Federal Aviation Administration is amending § 39.13 of Part 39 of the Federal Aviation Regulations by amending AD 71-6-8 applicable to wheel assembly P/N 3080C.

Subsequent to the adoption of AD 71-6-8, it was determined that the brake disc assembly could be inspected without its removal from the wheel assembly. This amendment will delete such removal requirements.

Since this amendment is relaxatory in nature and does not impose any additional burden on any person, notice and public procedure hereon are unnecessary and the amendment may be made effective in less than 30 days.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator, 14 CFR 11.89 (31 F.R. 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by amending AD 71-6-8 as follows:

1. By amending the second sentence of paragraph (a) to read as follows: "Remove wheel assembly, P/N 3080C from the aircraft and inspect the brake disc assembly, P/N 164-32, for cracks in the weld attaching the disc to the cup, using a 10-power glass or other FAA-approved equivalent means."

2. By adding the following statement: "Upon submission of substantiating data through an FAA Maintenance Inspector, by an owner or operator, the Chief, Engineering and Manufacturing Branch, may permit compliance at an established inspection period of the owner or operator."

This amendment is effective June 8, 1971.

(Sec. 313(a), 601, 603, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1423; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Jamaica, N.Y., on May 21, 1971.

WAYNE HENDERSHOT,
Acting Director, Eastern Region.

[FR Doc.71-7685 Filed 6-2-71;8:48 am]

[Docket No. 71-EA-51; Amdt. 39-1223]

PART 39—AIRWORTHINESS DIRECTIVES

DeHavilland Aircraft

The Federal Aviation Administration is amending § 39.13 of Part 39 of the Federal Aviation Regulations so as to

amend AD 71-1-1 as applicable to DeHavilland DHC-6 type airplanes.

The amendment will permit the use of a later revision to the incorporated service bulletin as well as an equivalency inspection approved by the Chief, Engineering and Manufacturing Branch, Eastern Region, New York.

Since the foregoing is clarifying in nature and relaxatory in that it permits equivalent inspections, notice and public procedure hereon are unnecessary and the amendment may be made effective in less than 30 days.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator, 14 CFR 11.89 (31 F.R. 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by amending AD 71-1-1 as follows:

1. Delete the date "September 9, 1969" and insert in lieu thereof "December 9, 1969".

2. Insert after the date as amended the following: "or later approved revision or equivalent inspection either of which must be approved by the Chief, Engineering and Manufacturing Branch, FAA, Eastern Region."

This amendment is effective June 8, 1971.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1423; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Jamaica, N.Y., on May 24, 1971.

WAYNE HENDERSHOT,
Acting Director, Eastern Region.

[FR Doc.71-7687 Filed 6-2-71;8:49 am]

[Airworthiness Docket No. 71-WE-12-AD;
Amdt. 39-1217]

PART 39—AIRWORTHINESS DIRECTIVES

Douglas Model DC-9 and Military C-9A Airplanes

Pursuant to the authority delegated to me by the Administrator (31 F.R. 13697) an airworthiness directive was adopted on May 10, 1971, and made effective immediately as to all known U.S. operators of Douglas DC-9 and Military C-9A airplanes. The directive requires installation of a placard or certain alternate procedures to verify instrument panel security.

Since it was found that immediate corrective action was required, notice and public procedure thereon was impracticable and contrary to the public interest and good cause existed for making the airworthiness directive effective immediately as to all known U.S. operators of Douglas DC-9 and Military C-9A airplanes by individual telegrams dated May 10, 1971. These conditions still exist and the airworthiness directive is hereby published in the FEDERAL REGISTER as an amendment to § 39.13 of Part 39 of the Federal Aviation Regulations to make it effective as to all persons.

Pursuant to the authority of the Federal Aviation Act of 1958, delegated to me by the Administrator, the following airworthi-

ness directive, applicable to all operators of Douglas DC-9 and Military C-9A airplanes, is effective immediately upon receipt of this telegram. Because of repeated incidents of the pilot's or first officer's instrument panel assemblies sliding aft; and in one instance, producing control column interference, one of the following alternate actions is to be accomplished within 25 flight hours in service after receipt of this telegram:

(1) Install placard on captain and first officer instrument panel stating "Check panel security before takeoff." Or

(2) Incorporate a check item in flight crew aircraft acceptance check list stating "Check security of captain and first officer instrument panels." Or

(3) In the maintenance program include security of captain and first officer instrument panel as a "required inspection item" whenever the panels are disturbed, subject to the approval of the assigned principal inspector.

(4) Secondary safety latches may be installed in accordance with Douglas Service Bulletin 31-16, dated October 14, 1969, or later FAA-approved revision. Accomplishment of this modification will constitute of itself compliance with this AD.

Equivalent methods of compliance must be referred to the Chief, Aircraft Engineering Division, FAA Western Region.

This amendment becomes effective upon publication in the FEDERAL REGISTER (6-3-71) for all persons except those to whom it was made effective immediately by telegram dated May 10, 1971.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1423; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Los Angeles, Calif., on May 20, 1971.

LEE E. WARREN,
*Acting Director,
FAA Western Region.*

[FR Doc.71-7686 Filed 6-2-71;8:49 am]

[Docket No. 71-EA-44; Amdt. 39-1220]

PART 39—AIRWORTHINESS DIRECTIVES

Piper Aircraft

The Federal Aviation Administration is amending § 39.13 of Part 39 of the Federal Aviation Regulations so as to issue an airworthiness directive applicable to Piper PA-23 type airplanes.

There has been a report of a failure of the engine control support bracket on the cockpit control pedestal of the PA-23. Since this deficiency can exist or develop in airplanes of similar design, an airworthiness directive is being issued which will require a repetitive inspection of the bracket.

Since a situation exists which requires expeditious adoption of this amendment, it is found that notice and public procedure hereon are impractical and the amendment may be made effective in less than 30 days.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator, 14 CFR 11.89 (31 F.R. 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new Airworthiness Directive:

PIPER AIRCRAFT. Applies to all PA-23 and PA-23-160 type aircraft serial Nos. 23-1 and up and PA-23-250 aircraft serial Nos. 27-1 through 27-140 inclusive.

Compliance required as indicated unless already accomplished.

To prevent failure of the engine controls support bracket in the cockpit pedestal, accomplish the following:

1. Within 15 hours' time in service for airplanes with 2,000 hours or more total time and 50 hours' time in service with less than 2,000 hours' total time after the effective date of this AD, visually inspect P/N 17892-00 engine control cable support bracket for cracks, distortion and security of attachment. Any part found cracked or distorted must be replaced prior to further flight.

2. The inspection described in paragraph (1) above must be accomplished at intervals of 100 hours' time in service until an improved bracket, Piper P/N 16975-00 or an equivalent part approved by the Chief, Engineering and Manufacturing Branch, FAA Eastern Region, is installed. Upon installation of the improved part, the above repetitive inspections are no longer required.

3. Upon submission of substantiating data through an FAA maintenance inspector by an owner or operator, the Chief, Engineering and Manufacturing Branch, FAA Eastern Region, may adjust the compliance time specified in this AD.

(Piper Aircraft Corp. Service Bulletin No. 335 pertains to this subject).

This amendment is effective June 8, 1971.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1423; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Jamaica, N.Y. on May 21, 1971.

WAYNE HENDERSHOT,
Acting Director, Eastern Region.

[FR Doc.71-7688 Filed 6-2-71;8:49 am]

[Airspace Docket No. 71-WE-19]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Transition Area

Correction

In F.R. Doc. 71-6935 appearing on page 9067 in the issue for Wednesday, May 19, 1971, the reference to "236" in the 11th line of the description of the Hanksville, Utah, transition area should read "286".

[Airspace Docket No. 71-SW-2]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

PART 75—ESTABLISHMENT OF JET ROUTES AND AREA HIGH ROUTES

Alteration of Federal Airways and Jet Route Segments

On March 18, 1971, F.R. Doc. 71-3758 was published in the FEDERAL REGISTER

(36 F.R. 5211) effective on June 24, 1971.

This document amended Parts 71 and 75 of the Federal Aviation Regulations by altering VOR Federal airway and jet route segments in the vicinity of El Paso, Tex., to conform to the relocation of the El Paso VORTAC.

Subsequent to the publication of these amendments, it was determined that the relocation of the El Paso VORTAC would not be completed by the designated effective date. Accordingly, action is taken herein to delay the effective date of the amendments until July 22, 1971.

Since this amendment is minor in nature and no substance change in the regulation is effected, notice and public procedure thereon are unnecessary, and good cause exists for making this amendment effective on less than 30 days notice.

In consideration of the foregoing, effective upon publication in the FEDERAL REGISTER (6-3-71), F.R. Doc. 71-3758 (36 F.R. 5211) is amended by deleting "effective 0901 G.m.t., June 24, 1971," and substituting "effective 0901 G.m.t., July 22, 1971," therefor.

(Sec. 307(a), Federal Aviation Act of 1958 (49 U.S.C. 1348(a); sec. 6(c), Department of Transportation Act 49 U.S.C. 1655(c)))

Issued in Washington, D.C., on May 25, 1971.

T. McCORMACK,
Acting Chief, Airspace and
Air Traffic Rules Division.

[FR Doc.71-7689 Filed 6-2-71;8:49 am]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

SUBCHAPTER E—RULES, REGULATIONS, STATEMENT OF GENERAL POLICY OR INTERPRETATION AND EXEMPTIONS UNDER THE FAIR PACKAGING AND LABELING ACT

PART 500—REGULATIONS UNDER SECTION 4 OF THE FAIR PACKAGING AND LABELING ACT

Measurement of Commodities

Correction

In F.R. Doc. 71-7423 appearing at page 9625 in the issue for Thursday, May 27, 1971, the word "quality" in the first line of § 500.11 should read "quantity".

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 28—FRUIT PIES

Order Extending Effective Date of Identity Standard and Quality Standard for Frozen Cherry Pie

In the matter of establishing a definition and standard of identity (§ 28.1)

and a standard of quality (§ 28.2) for frozen cherry pie:

A notice of proposed rule making in the above-identified matter was published on the initiative of the Commissioner of Food and Drugs in the FEDERAL REGISTER of November 1, 1967 (32 F.R. 15116). An order adopting the proposal, with changes, was published February 23, 1971 (36 F.R. 3364), to become effective in 60 days unless stayed by objections filed within 30 days.

Eight responses were filed within the 30-day period. One of these includes a proposal to establish a standard of identity and a standard of fill of container for all frozen fruit pies and a standard of quality for frozen cherry pie that deviates from § 28.2. Several requested that the effective date of §§ 28.1 and 28.2 be extended to provide time for compliance.

The Commissioner finds that additional time, 60 days, is needed (1) for determining if any of the responses constitute valid objections and (2) for evaluating the new proposal regarding all frozen fruit pies.

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371) and under authority delegated to the Commissioner (21 CFR 2.120): It is ordered, That the effective date of §§ 28.1 and 28.2 be changed to June 23, 1971.

Dated: May 24, 1971.

SAM D. FINE,
Associate Commissioner for
Compliance.

[FR Doc.71-7665 Filed 6-2-71;8:47 am]

Title 24—HOUSING AND HOUSING CREDIT

[Docket No. R-71-114]

Subtitle A—Office of the Secretary, Department of Housing and Urban Development

PART 60—RACIAL AND ETHNIC DATA

Chapter II—Federal Housing Administration, Department of Housing and Urban Development

SUBCHAPTER A—GENERAL

PART 200—INTRODUCTION

Subpart I—Nondiscrimination and Fair Housing

IDENTIFICATION OF MINORITY GROUPS

The following new Part 60—Racial and Ethnic Data is added to 24 CFR. Part 60 provides for the furnishing of information concerning minority-group identification of participants in Housing and Urban Development programs.

The Secretary is responsible for administering a variety of civil rights laws and Executive orders including title VIII of the Civil Rights Act of 1968, title VI

of the Civil Rights Act of 1964, and Executive Order 11063 concerning nondiscrimination in housing and related facilities. In order to carry out these responsibilities, and to enable the Secretary to act affirmatively in eliminating discrimination in all HUD programs, information as to the racial and ethnic composition of applicants for and recipients of HUD assistance is essential.

In an amendment to 24 CFR Part 200 (36 F.R. 4542) published March 9, 1971, the furnishing of information concerning minority-group identification was required in connection with all programs administered by the Assistant Secretary for Mortgage Credit and Housing Production. This amendment is superseded by new Part 60, which applies to all HUD programs.

In view of the fact that the furnishing of minority-group identification is already required in those HUD programs where the largest volume of such information is generated, and since there is an immediate need for such information in other HUD programs, notice and public procedure and a deferred effective date are impracticable and contrary to the public interest, and new Part 60 is effective immediately. However, all interested persons are invited to submit written comments or suggestions with respect to this regulation, which may be later revised in the light of comments received. Three copies of such comments should be filed on or before July 6, 1971, and addressed to the Assistant Secretary for Equal Opportunity, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, DC 20410. A copy of each communication will be available for public inspection during business hours in the HUD Information Center, at the above address.

1. New Part 60 is added to 24 CFR to read as follows:

- Sec.
60.1 Purpose.
60.2 Minority-group identification.

AUTHORITY: The provisions of this Part 60 issued under Executive Order 11063, 27 F.R. 11527; sec. 602, 72 Stat. 252, 42 U.S.C. 2000d-1; sec. 808, 82 Stat. 84, 42 U.S.C. 3608; sec. 2, 48 Stat. 1246, 12 U.S.C. 1703; sec. 7(d), 79 Stat. 670, 42 U.S.C. 3535(d).

§ 60.1 Purpose.

The purpose of this part is to enable the Secretary to carry out his responsibilities under the provisions of Executive Order 11063, dated November 20, 1962, title VI of the Civil Rights Act of 1964, and title VIII of the Civil Rights Act of 1968 prohibiting discrimination and providing for fair housing and directing the Secretary to administer Housing and Urban Development programs and activities in a manner affirmatively to further these policies.

§ 60.2 Minority-group identification.

Participants in Housing and Urban Development programs shall furnish such information as the Secretary may require concerning minority-group identification to assist the Secretary in carrying out his responsibility for adminis-

tering the national policies prohibiting discrimination and providing for fair housing.

2. In Part 200, the table of contents is amended by deleting the title of § 200.306 under Subpart I:

Sec.
200.306 [Reserved]

§ 200.306 [Deleted]

3. Section 200.306 *Minority-group identification* is deleted, and the section is reserved.

Effective date. This regulation is effective June 2, 1971.

GEORGE ROMNEY,
*Secretary of Housing and
Urban Development.*

[FR Doc.71-7697 Filed 6-2-71; 8:50 am]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER F—PROCEDURE AND ADMINISTRATION

[T.D. 7121]

PART 301—PROCEDURE AND ADMINISTRATION

Suspension of Running of Period of Limitation

On March 18, 1971, notice of proposed rule making with respect to the amendment of the Regulations on Procedure and Administration (26 CFR Part 301) under section 6503 (b), (c), and (g) of the Internal Revenue Code of 1954 (relating to the suspension of the running of period of limitation) was published in the FEDERAL REGISTER (36 F.R. 5243). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendment of the regulations as proposed is hereby adopted.

(Sec. 7805, Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805))

[SEAL] RANDOLPH W. THROWER,
Commissioner of Internal Revenue.

Approved: May 28, 1971.

EDWIN S. COHEN,
*Assistant Secretary
of the Treasury.*

In order to conform the Regulations on Procedure and Administration (26 CFR Part 301) under section 6503 of the Internal Revenue Code of 1954 to sections 106 (a) and (b) of the Federal Tax Lien Act of 1966 (80 Stat. 1125) and to provide regulations under section 6503(g) of such Code, as added by section 106(c) of such Act, such regulations are amended as follows:

PARAGRAPH 1. Section 301.6503(b) is amended by revising section 6503(b) and by adding a historical note. These amended and added provisions read as follows:

§ 301.6503(b) Statutory provisions; suspension of running of period of limitation; assets of taxpayer in control or custody of court.

Sec. 6503. *Suspension of running of period of limitation.* * * *

(b) *Assets of taxpayer in control or custody of court.* The period of limitations on collection after assessment prescribed in section 6502 shall be suspended for the period the assets of the taxpayer are in the control or custody of the court in any proceeding before any court of the United States or of any State or of the District of Columbia, and for 6 months thereafter.

[Sec. 6503(b) as amended by sec. 106(a), Federal Tax Lien Act 1966 (80 Stat. 1139)]

PAR. 2. Section 301.6503(b)-1 is amended to read as follows:

§ 301.6503(b)-1 Suspension of running of period of limitation; assets of taxpayer in control or custody of court.

Where all or substantially all of the assets of a taxpayer are in the control or custody of the court in any proceeding before any court of the United States, or of any State of the United States, or of the District of Columbia, the period of limitations on collection after assessment prescribed in section 6502 is suspended with respect to the outstanding amount due on the assessment for the period such assets are in the control or custody of the court, and for 6 months thereafter. In the case of an estate of a decedent or an incompetent, the period of limitations on collection is suspended only for periods beginning after November 2, 1966, during which assets are in the control or custody of a court, and for 6 months thereafter.

PAR. 3. Section 301.6503(c) is amended by revising section 6503(c) and by adding a historical note. These amended and added provisions read as follows:

§ 301.6503(c) Statutory provisions; suspension of running of period of limitation; taxpayer outside United States.

Sec. 6503. *Suspension of running of period of limitation.* * * *

(c) *Taxpayer outside United States.* The running of the period of limitations on collection after assessment prescribed in section 6502 shall be suspended for the period during which the taxpayer is outside the United States if such period of absence is for a continuous period of at least 6 months. If the preceding sentence applies and at the time of the taxpayer's return to the United States the period of limitations on collection after assessment prescribed in section 6502 would expire before the expiration of 6 months from the date of his return, such period shall not expire before the expiration of such 6 months.

[Sec. 6503(c) as amended by sec. 106(b), Federal Tax Lien Act 1966 (80 Stat. 1139)]

PAR. 4. Section 301.6503(c)-1 is amended to read as follows:

§ 301.6503(c)-1 Suspension of running of period of limitation; location of property outside the United States or removal of property from the United States; taxpayer outside of United States.

(a) *Property located outside, or removed from, the United States prior*

to November 3, 1966. The running of the period of limitations on collection after assessment prescribed in section 6502 is suspended for the period of time, prior to November 3, 1966, that collection is hindered or delayed because property of the taxpayer is situated or held outside the United States or is removed from the United States. The total suspension of time under this provision shall not in the aggregate exceed 6 years. In any case in which the district director determines that collection is so hindered or delayed, he shall make and retain in the files of his office a written report which shall identify the taxpayer and the tax liability, shall show what steps were taken to collect the tax liability, shall state the grounds for his determination that property of the taxpayer is situated or held outside, or is removed from, the United States, and shall show the date on which it was first determined that collection was so hindered or delayed. The term "property" includes all property or rights to property, real or personal, tangible or intangible, belonging to the taxpayer. The suspension of the running of the period of limitations on collection shall be considered to begin on the date so determined by the district director. A copy of the report shall be mailed to the taxpayer at his last known address.

(b) *Taxpayer outside United States after November 2, 1966.* The running of the period of limitations on collection after assessment prescribed in section 6502 (relating to collection after assessment) is suspended for the period after November 2, 1966, during which the taxpayer is absent from the United States if such period is a continuous period of absence from the United States extending for 6 months or more. In a case where the running of the period of limitations has been suspended under the first sentence of this paragraph and at the time of the taxpayer's return to the United States the period of limitations would expire before the expiration of 6 months from the date of his return, the period of limitations shall not expire until after 6 months from the date of the taxpayer's return. The taxpayer will be deemed to be absent from the United States for purposes of this section if he is generally and substantially absent from the United States, even though he makes casual temporary visits during the period.

PAR. 5. Immediately after § 301.6503(f) there are added new §§ 301.6503(g) and 301.6503(g)-1. These new provisions read as follows:

§ 301.6503(g) Statutory provisions; suspension of running of period of limitation; wrongful seizure of property of third party.

SEC. 6503. *Suspension of running of period of limitation.* * * *

(g) *Wrongful seizure of property of third party.* The running of the period of limitations on collection after assessment prescribed in section 6502 shall be suspended for a period equal to the period from the date property (including money) of a third party is wrongfully seized or received by the Secre-

tary or his delegate to the date the Secretary or his delegate returns property pursuant to section 6343(b) or the date on which a judgment secured pursuant to section 7436 with respect to such property becomes final, and for 30 days thereafter. The running of the period of limitations on collection after assessment shall be suspended under this subsection only with respect to the amount of such assessment equal to the amount of money or the value of specific property returned.

[Sec. 6503(g) as added by sec. 106(c), Federal Tax Lien Act 1966 (80 Stat. 1140)]

§ 301.6503(g)-1 Suspension of running of period of limitation; wrongful seizure of property of third party.

The running of the period of limitations on collection after assessment prescribed in section 6502 (relating to collection after assessment) shall be suspended for a period equal to a period beginning on the date property (including money) is wrongfully seized or received by a district director and ending on the date 30 days after the date on which the district director returns the property pursuant to section 6343(b) (relating to authority to return property) or the date 30 days after the date on which a judgment secured pursuant to section 7426 (relating to civil actions by persons other than taxpayers) with respect to such property becomes final. The running of the period of limitations on collection after assessment shall be suspended under this section only with respect to the amount of such assessment which is equal to the amount of money or the value of specific property returned. This section applies in the case of property wrongfully seized or received after November 2, 1966.

Example. On June 1, 1968 (at which time 10 months remain before the period of limitations on collection after assessment will expire), the district director wrongfully seizes \$1,000 in B's account in Bank X and properly seizes \$500 in taxpayer A's account in Bank Y in an attempt to satisfy A's assessed tax liability of \$1,500. The district director determines that the \$1,000 seized in Bank X was not the property of taxpayer A and, on March 1, 1969, he returns the \$1,000 to B. As a result of the wrongful seizure, the running of the period of limitations on collection after assessment of the amount owed by taxpayer A is suspended for the 9-month period (beginning June 1, 1968, when the money was wrongfully seized and ending March 1, 1969, when the money was returned to B), plus 30 days. Therefore, the period of limitations on collection after assessment prescribed in section 6502 will not expire until February 1, 1970, which is 10 months plus 30 days after the money was returned.

[FR Doc.71-7733 Filed 6-2-71; 8:53 am]

Title 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 171—MONEY ORDERS

Cashing of Money Orders

Section 5(f) of the Postal Reorganization Act provides in part that "provisions of title 39, U.S.C., in effect imme-

diately prior to the effective date of this section, but not re-enacted by this Act, shall remain in force as rules or regulations of the Postal Service established by this Act * * *." One such provision that is not explicitly covered in codified postal regulations is 39 U.S.C. sec. 5103 (c) which reads as follows: "The records of the Department shall serve as the basis for adjudicating claims for payment of money orders." Title 39 CFR 171.3(a) is amended to include this provision.

Since the amendment does not change existing legal rules, notice of proposed rulemaking and a delayed effective date are unnecessary. Accordingly, § 171.3(a) is amended to read as follows:

§ 171.3 Cashing money orders.

(a) *Restrictions on payment.* No money orders shall be paid after 20 years from the last day of the month of original issue. The records of the Postal Service shall serve as the basis for adjudicating claims for payment of money orders.

Effective date. The foregoing amendment is effective upon publication in the FEDERAL REGISTER (6-3-71).

(5 U.S.C. 301, 39 U.S.C. 501, 5103(c))

DAVID A. NELSON,
General Counsel.

[FR Doc.71-7698 Filed 6-2-71; 8:50 am]

Title 45—PUBLIC WELFARE

Chapter II—Social and Rehabilitation Service (Assistance Programs), Department of Health, Education, and Welfare

PART 206—APPLICATION, DETERMINATION OF ELIGIBILITY AND FURNISHING OF ASSISTANCE—PUBLIC ASSISTANCE PROGRAMS

State Plan Requirements

Part 206 of Chapter II of Title 45 of the Code of Federal Regulations is amended to make clear that persons who accompany and assist applicants and recipients in their contacts with the welfare agency, may also represent them. Since this amendment is for purpose of clarification, and simply restores language which appeared in the notice of proposed regulations published in the FEDERAL REGISTER on Thursday, December 3, 1970 (35 FR. 18402), the proposed rule making procedure is not repeated. Accordingly, § 206.10(a) (1) is revised to read as set forth below:

§ 206.10 Application, determination of eligibility and furnishing of assistance.

(a) *State plan requirements.* A State plan under title I, IV-A, X, XIV, XVI, or XIX of the Social Security Act must provide that:

(1) Each individual wishing to do so will have the opportunity to apply for

assistance without delay. Under this requirement: (i) The agency accepts application from the applicant himself, his designated representative, or someone acting responsibly for him, in person, by mail or by telephone; (ii) an applicant may be assisted, if he so desires, by an individual(s) of his choice (who need not be a lawyer) in the various aspects of the application process and the redetermination of eligibility, and may be accompanied by such individual(s) in contacts with the agency and when so accompanied may also be represented by them; (iii) individuals eligible for financial assistance are eligible for medical assistance without a separate application.

(Sec. 1102, 49 Stat. 647; 42 U.S.C. 1302)

Effective date. The regulations in this section shall be effective on the date of their publication in the FEDERAL REGISTER (6-3-71).

Dated: April 29, 1971.

JOHN D. TWINAME,
Administrator, Social and
Rehabilitation Service.

Approved: May 26, 1971.
ELLIOT L. RICHARDSON,
Secretary.

[FR Doc.71-7696 Filed 6-2-71;8:50 am]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 19102; FCC 71-564]

PART 73—RADIO BROADCAST SERVICES

FM Broadcast Stations; Table of Assignments, Benton, Ill., etc.

Report and order. In the matter of amendment of § 73.202(b), Table of Assignments, FM Broadcast Stations, (Benton, Ill.; Salem, Ill.; West Frankfort, Ill.)

1. The Commission here considers the notice of proposed rule making, adopted December 2, 1970, in this proceeding (FCC 70-1259; 35 F.R. 18678).

2. The Commission on its own motion considered amendments to the FM Table of Assignments (§ 73.202(b) of the rules). The specific problem is that Channel 252A at Benton, Ill., no longer complies with the spacing requirements of the rules. The short-spacing was the result of moving the transmitter site of Station KRCH, Channel 251, St. Louis, Mo., from Zone I to Zone II, with the resulting change in class from B to C, and a required mileage separation of 105 miles (distance is 89 miles).

3. On August 14, 1970, Rend Lake Broadcasting Co. tendered an application for filing for the Channel 252A assignment at Benton, Ill. That application is in pending status while this proceeding is considered in order to make changes in the FM Table of Assignments that would eliminate the short-spacing. More specifically, the notice proposed that Channel 292A would be assigned to Benton; while there would be a short-spacing of about 3 miles to Station KSGM-FM, Channel 289, Ste. Genevieve, Mo., sites are available east of Benton which would obviate this short-spacing. In order to make these changes, it was also necessary to propose the substitution of Channel 261A for 249A at Salem, Ill., and Channel 249A for 292A at West Frankfort, Ill. The latter would also remove about a 3-mile short-spacing to Station KSGM-FM.

4. Filing comments and favoring the proposed changes are the respective applicants for channels at Salem and West Frankfort: The applicant for the Salem channel is Thomas S. Land and Bryan Davidson, doing business as Salem Broadcasting Co. (BPH-6321). In this respect, paragraph 4 of the notice indicated that in the event that the Salem FM allocation is changed, Salem Broadcasting Co. would be allowed to amend its application to change channel without fee and remain in hearing status (Docket No. 18290). The other party filing comments was Pyramid Radio Broadcasting and Television Co., Inc., licensee of daytime radio Station WFRX, West Frankfort, Ill., and applicant for the FM channel at that community (BPH-7199). This party indicated that it supported the rule making since it would eliminate a slight short spacing between Station KSGM-FM, Ste. Genevieve, Mo., and West Frankfort and would reduce the prohibitive short spacing between Channel 252A at Benton and Station KRCH.¹ As already indicated, the application of Rend Lake Broadcasting Co. has remained in a tendered status pending the outcome of this proceeding.

5. It would appear that the public interest, convenience, and necessity would be served by making the proposed changes as set out in our notice.

6. Accordingly, pursuant to the authority contained in sections 4(i), 303 (g) and (r), and 307(b) of the Communications Act of 1934, as amended, the FM Table of Assignments, § 73.202(b) is amended, effective July 13, 1971, as concerns the following communities in Illinois:

City	Channel No.
Benton, Ill.	292A
Salem, Ill.	261A
West Frankfort, Ill.	249A

7. It is further ordered, That this proceeding is terminated.

(Secs. 4, 303, 307, 48 Stat., as amended, 1066, 1082, 1083; 47 U.S.C. 154, 303, 307)

¹ The proposed use of Channel 292A at Benton would involve a slight short spacing to Station KSGM-FM, but sites east of Benton are available.

Adopted: May 26, 1971.

Released: May 28, 1971.

FEDERAL COMMUNICATIONS
COMMISSION,²
[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-7709 Filed 6-2-71;8:50 am]

Title 49—TRANSPORTATION

Chapter I—Hazardous Materials Regulations Board, Department of Transportation

[Docket No. HM-65; Amdt. 177-16]

PART 177—SHIPMENTS MADE BY WAY OF COMMON, CONTRACT, OR PRIVATE CARRIERS BY PUBLIC HIGHWAY

Bonding and Grounding Flammable Liquid Cargo Tanks

The purpose of this amendment to the Department's Hazardous Materials Regulations is to provide specific requirements for bonding and grounding cargo tanks before and during transfer of loading. Also, the requirements for transfer of flammable liquids while the motor vehicle engine is running are clarified.

On December 2, 1970, the Hazardous Materials Regulations Board published a notice of proposed rule making, Docket No. HM-65; Notice No. 70-21 (35 F.R. 18323) which proposed this amendment. Interested persons were invited to give their views and several comments were received by the Board. On April 20, 1971, at the invitation of the Secretary of the Board, a meeting was held between the commenters and the Department to give all interested persons the opportunity to clarify their comments to this Docket.

Several commenters noted that proposed § 177.837(c)(2) overlooked the possibility that a dangerous condition could be created by an open vent close to a vapor-tight connection, as the Department's regulations do not specify the relative location of vents to connections. Other commenters suggested that this subparagraph should cover unloading. Several commenters objected to proposed § 177.837(c)(3), noting that its purpose from a safety standpoint was not apparent. They stated that application of the proposed rule would result in serious difficulties in tank truck operations. Several suggestions were made to revise the wording. The Board finds that these comments have merit and has incorporated appropriate changes in this amendment.

Accordingly, 49 CFR Part 177 is amended as follows:

In § 177.837, paragraph (a) and the first sentence of paragraph (b) are amended; a new paragraph (c) is added to read as follows:

² Commissioner Wells absent.

§ 177.837 Flammable liquids.

(See also § 177.834 (a) to (k).)

(a) *Engine stopped.* Unless the engine of the motor vehicle is to be used for the operation of a pump, no flammable liquid shall be loaded into, or on, or unloaded from any motor vehicle while the engine is running.

(b) *Bonding and grounding containers other than cargo tanks prior to and during transfer of lading.* * * *

(c) *Bonding and grounding cargo tanks before and during transfer of lading.* (1) When a cargo tank is loaded through an open filling hole, one end of a bond wire shall be connected to the stationary system piping or integrally connected steel framing, and the other end to the shell of the cargo tank to provide a continuous electrical connection. (If bonding is to the framing, it is essential that piping and framing be electrically interconnected.) This connection must be made before any filling hole is opened, and must remain in place until after the last filling hole has been closed. Additional bond wires are not needed around All-Metal flexible or swivel joints, but are required for nonmetallic flexible connections in the stationary system piping. When a cargo tank is unloaded by a suction-piping system through an open filling hole of the cargo tank, electrical continuity shall be maintained from cargo tank to receiving tank.

(2) When a cargo tank is loaded or unloaded through a vapor-tight (not open hole) top or bottom connection, so that there is no release of vapor at a point where a spark could occur, bonding or grounding is not required. Contact of the closed connection must be made before flow starts and must not be broken until after the flow is completed.

(3) Bonding or grounding is not required when a cargo tank is unloaded through a nonvapor-tight connection into a stationary tank provided the metallic filling connection is maintained in contact with the filling hole.

* * * * *

This amendment is effective August 31, 1971; however, compliance with the regulations as amended herein is authorized immediately.

(Secs. 831-835, Title 18, United States Code; sec. 9, Department of Transportation Act (49 U.S.C. 1657))

Issued in Washington, D.C., on May 27, 1971.

KENNETH L. PIERSON,
Acting Director, Bureau of
Motor Carrier Safety, Federal
Highway Administration.

[FR Doc. 71-7694 Filed 6-2-71; 8:49 am]

[Docket No. HM-71; Amdt. 178-19]

**PART 178—SHIPPING CONTAINER
SPECIFICATIONS**

**Specification 3HT Cylinders—Tensile
Strength Limitation**

The purpose of this amendment to the Department's Hazardous Materials Reg-

ulations is to increase the maximum allowable tensile strength of the steel in specification 3HT cylinders from 160,000 p.s.i. to 165,000 p.s.i.

On December 16, 1970, the Hazardous Materials Regulations Board published a notice of proposed rule making, Docket No. HM-71; Notice No. 70-26 (35 F.R. 19025), which proposed this amendment.

Interested persons were invited to give their views on the proposal. No objections were received. One commenter noted that the proposed text did not clearly state if all cylinders in a rejected lot would require measurement of the sidewall thickness. It is the intent of the Board to require that all cylinders be checked. The Board believes that the sidewall verification on specification 3HT cylinders is more critical than for other cylinders because of the thinness of the wall. A change has been made in the text to clarify the intent of the regulation.

Accordingly, 49 CFR Part 178 is amended as follows:

In § 178.44-21, paragraph (a) (2) is amended; in § 178.44-22, paragraph (b) is added to read as follows:

§ 178.44 Specification 3HT; inside containers, seamless steel cylinders for aircraft use made of definitely prescribed steel.

§ 178.44-21 Acceptable results of tests.

(a) * * *

(2) Tensile strength shall not exceed 165,000 p.s.i.

§ 178.44-22 Rejected cylinders.

(b) For each cylinder subjected to reheat treatment during original manufacture, sidewall measurements must be made to verify that the minimum sidewall thickness meets specification requirements after the final heat treatment.

This amendment is effective August 31, 1971, however, compliance with the regulations as amended herein is authorized immediately.

(Sec. 831-835, Title 18, United States Code; sec. 9, Department of Transportation Act (49 U.S.C. 1657); title VI; sec. 902(h), Federal Aviation Act of 1958 (49 U.S.C. 1421-1430, 1472(h))

Issued in Washington, D.C., on May 27, 1971.

W. F. REA III,
Rear Admiral, U.S. Coast Guard,
By direction of Commandant,
U.S. Coast Guard.

CARL V. LYON,
Acting Administrator,
Federal Railroad Administration.

ROBERT A. KAYE,
Director, Bureau of Motor Car-
rier Safety, Federal Highway
Administration.

SAM SCHNEIDER,
Board Member, For the
Federal Aviation Administration.
[FR Doc. 71-7695 Filed 6-2-71; 8:49 am]

**Chapter X—Interstate Commerce
Commission**

**SUBCHAPTER A—GENERAL RULES AND
REGULATIONS**

[4th Rev. S.O. 1061]

PART 1033—CAR SERVICE

Return of Hopper Cars

At a session of the Interstate Commerce Commission, Railroad Service Board, held in Washington, D.C., on the 21st day of May 1971.

It appearing, that an acute shortage of hopper cars exists on the railroads named in paragraph (a) (1) herein; that shippers located on the lines of these carriers are being deprived of hopper cars required for loading, resulting in an emergency, forcing curtailment of their operations, and thus creating great economic loss and reduced employment of their personnel; that hopper cars, after being unloaded, are being appropriated and being retained in services for which they have not been designated by the car owner; that present regulations and practices with respect to the use, supply, control, movement, distribution, exchange, interchange, and return of hopper cars are ineffective. It is the opinion of the Commission that an emergency exists requiring immediate action to promote car service in the interest of the public and the commerce of the people. Accordingly, the Commission finds that notice and public procedure are impracticable and contrary to the public interest, and that good cause exists for making this order effective upon less than 30 days' notice.

It is ordered, That:

§ 1033.1061 Service Order No. 1061.

(a) Regulations for return of hopper cars: Each common carrier by railroad subject to the Interstate Commerce Act, with the exception of those carriers named in Service Order No. 1043 (Service Order No. 1043 remains in effect, and carriers named therein must continue to comply with its provisions), shall observe, enforce, and obey the following rules, regulations, and practices with respect to its car service:

(1) Exclude from all loading and return to owner empty, except as otherwise authorized in subparagraphs (4), (5), and (6) of this paragraph, all hopper cars owned by the following railroads:

The Akron, Canton & Youngstown Railroad Co.

Reporting marks: ACY.

Burlington Northern, Inc.

Reporting marks: BN, CB&Q, GN, NP, SP&S.

Chicago & Eastern Illinois Railroad Co.

Reporting marks: C&EI.

The Colorado and Southern Railway Co.

Reporting marks: C&S.

Illinois Central Railroad Co.

Reporting marks: IC.

Fort Worth and Denver Railway Co.

Reporting marks: FW&D.

Missouri-Illinois Railroad Co.

Reporting marks: M-I.

Missouri-Kansas-Texas Railroad Co.

Reporting marks: MKT, BKTY.

Missouri Pacific Railroad Co.
Reporting marks: MP.
St. Louis-San Francisco Railway Co.
Reporting marks: SLSF.
Texas-New Mexico Railway Co.
Reporting marks: T-NM.
The Texas and Pacific Railway Co.
Reporting marks: T&P, TP.
Union Pacific Railroad Co.
Reporting marks: UP.

(2) The following companies will be considered as one railroad in the application of subparagraphs (1), (4), (5), and (6) of this paragraph:

Chicago & Eastern Illinois Railroad Co.
Missouri-Illinois Railroad Co.
Missouri Pacific Railroad Co.
The Texas and Pacific Railway Co.
Texas-New Mexico Railway Co.

(3) The following companies will be considered as one railroad in the application of subparagraphs (1), (4), (5), and (6) of this paragraph:

Burlington Northern, Inc.
The Colorado and Southern Railway, Co.
Fort Worth and Denver Railway Co.

(4) Hopper cars described in subparagraph (1) of this paragraph may be loaded to stations on the lines of the owning railroad. Cars located at a point other than a junction with the car owner shall not be backhauled empty, except for the purpose of loading to a junction

with the car owner or to a station on the lines of the car owner.

(5) Except as authorized in subparagraph (6) of this paragraph, hopper cars described in subparagraph (1) of this paragraph, empty at a junction with the owner, must be delivered to the owner at that junction.

(6) For the purpose of improving car utilization and the efficiency of railroad operations, or alleviating inequities or hardships, modifications may be authorized by the Chief Transportation Officer of the car owner. Such modifications must be confirmed in writing to W. H. Van Slyke, Chairman, Car Service Division, Association of American Railroads, Washington, D.C., for submission to R. D. Pfahler, Director, Bureau of Operations, Interstate Commerce Commission.

(7) No common carrier by railroad subject to the Interstate Commerce Act shall accept from shipper any loaded hopper car for movements contrary to the provisions of subparagraphs (4) and (5) of this paragraph.

(b) The term "hopper cars" as used in this order, means freight cars having a mechanical designation "HD," "HM," "HK," or "HT," in the Official Railway Equipment Register, ICC R.E.R. No. 379, issued by E. J. McFarland, or reissues thereof.

(c) Application: The provisions of this order shall apply to intrastate, interstate, and foreign commerce.

(d) Effective date: This order shall become effective at 12:01 a.m., May 27, 1971.

(e) Expiration date: The provisions of this order shall expire at 11:59 p.m., June 30, 1971, unless otherwise modified, changed, or suspended by order of this Commission.

(Secs. 1, 12, 15, and 17(2), 24 Stat. 379, 383, 384, as amended; 49 U.S.C. 1, 12, 15, and 17 (2). Interprets or applies secs. 1(10-17), 15 (4), and 17(2), 40 Stat. 101, as amended, 54 Stat. 911; 49 U.S.C. 1(10-17), 15(4), and 17 (2))

It is further ordered, That copies of this order shall be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement, and upon the American Short Line Railroad Association; and that notice of this order shall be given to the general public by depositing a copy in the Office of the Secretary of the Commission at Washington, D.C., and by filing it with the director, Office of the Federal Register.

By the Commission, Railroad Service Board.

[SEAL]

ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7706 Filed 6-2-71;8:50 am]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Parts 1, 13]

INCOME TAX

Treatment of Property Transferred in Connection With Performance of Services

Proposed amendments to regulations under sections 61 and 421, relating to the receipt of certain stock and other property subject to restrictions, appear in the FEDERAL REGISTER for October 26, 1968 (33 F.R. 15870), as corrected by a notice of proposed rule making in the FEDERAL REGISTER for January 10, 1969 (34 F.R. 397). Notice is hereby given that such proposed regulations are hereby withdrawn.

Further, notice is hereby given that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, preferably in quintuplicate, to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by July 6, 1971. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commission by July 6, 1971. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; U.S.C. 7805).

RANDOLPH W. THROWER,
Commissioner of Internal Revenue.

In order to prescribe regulations under section 83 of the Internal Revenue Code of 1954, as enacted by section 321(a) of the Tax Reform Act of 1969 (Public Law 91-172, 83 Stat. 588), the following regulations are prescribed. In addition, the Income Tax Regulations (26 CFR Part 1) under sections 61, 162, 402(b), 403(c), 403(d), 404(a)(5), 421, and 721 of the Internal Revenue Code of 1954 are amended to conform to section 321(b) of the Tax Reform Act of 1969 (Public Law 91-172, 83 Stat. 590). These regulations are prescribed and amended by superseding temporary regulations § 13.1 (published in the FEDERAL REGISTER for January 17, 1970, as corrected in the FEDERAL REGISTER for January 22, 1970) as follows:

PARAGRAPH 1. Paragraph (d) of § 1.61-2 is amended by revising subparagraph (1), by revising subdivision (i) of subparagraph (2), by revising subparagraphs (4) and (5), and by adding new subparagraph (6) to read as follows:

§ 1.61-2 Compensation for services, including fees, commissions, and similar items.

(d) *Compensation paid other than in cash*—(1) *In general*. If services are paid for in property on or before June 30, 1969 (or in paragraph (b) of § 1.83-8 applies), the fair market value of the property taken in payment must be included in income as compensation. If services are paid for in exchange for other services, the fair market value of such other services taken in payment must be included in income as compensation. If the services were rendered at a stipulated price, such price will be presumed to be the fair market value of the compensation received in the absence of evidence to the contrary. However, for special rules relating to certain options received as compensation, see § 1.61-15 and section 421 and the regulations thereunder.

(2) *Property transferred to employee or independent contractor*. (i) Except as otherwise provided in section 421 and the regulations thereunder (relating to employee stock options) and § 1.61-15, if property is transferred on or before June 30, 1969 (or in paragraph (b) of § 1.83-8 applies), by an employer to an employee or to an independent contractor, as compensation for services for an amount less than its fair market value, then regardless of whether the transfer is in the form of a sale or exchange, the difference between the amount paid for the property and the amount of its fair market value at the time of the transfer is compensation and shall be included in the gross income of the employee or independent contractor. In computing the gain or loss from the subsequent sale of such property, its basis shall be the amount paid for the property increased by the amount of such difference included in gross income.

(4) *Stock and notes transferred to employee or independent contractor*. Except as otherwise provided by section 421 and the regulations thereunder (relating to employee stock options) and § 1.61-15, if a corporation transfers its own stock on or before June 30, 1969 (or if paragraph (b) of § 1.83-8 applies), to an employee or independent contractor as compensation for services, the fair market value of the stock at the time of transfer shall be included in the gross income of the employee or independent contractor. Notes or other evidences of indebtedness received in payment for

services on or before June 30, 1969, constitute income in the amount of their fair market value at the time of the transfer. A taxpayer receiving as compensation a note regarded as good for its face value at maturity, but not bearing interest, shall treat as income as of the time of receipt its fair discounted value computed at the prevailing rate. As payments are received on such a note, there shall be included in income that portion of each payment which represents the proportionate part of the discount originally taken on the entire note.

(5) *Property transferred on or before June 30, 1969, subject to restrictions*. Notwithstanding any other provision of this paragraph, if any property is transferred as compensation for services, performed by an employee or independent contractor, and such property is subject to a restriction which has a significant effect on its value at the time of transfer, the rules of § 1.421-6(d)(2) shall apply in determining the time and the amount of compensation to be included in the gross income of the employee or independent contractor. For special rules relating to options to purchase stock or other property which are issued as compensation for services, see § 1.61-15 and section 421 and the regulations thereunder. This subparagraph is applicable only to transfers after September 24, 1959, and before July 1, 1969 (unless paragraph (b) of § 1.83-8 applies).

(6) *Property transferred to employee or independent contractor after June 30, 1969*. For rules with respect to property transferred in connection with the performance of services after June 30, 1969, see section 83 and the regulations thereunder. For rules with respect to premiums paid by an employer for an annuity contract which is not subject to section 403(a), see section 403(c) and the regulations thereunder. For the rules with respect to contributions made to an employee's trust which is not exempt under section 501(a), see section 402(b) and the regulations thereunder.

PAR. 2. Paragraphs (a) and (d) of § 1.61-15 are amended to read as follows:

§ 1.61-15 Options received as payment of income.

(a) *In general*. If any person receives an option in payment of an amount constituting compensation of such person (or of any other person) on or before June 30, 1969 (except if paragraph (b) of § 1.83-8 applies), such option is subject to the rules contained in § 1.421-6 for purposes of determining when income is realized in connection with such option and the amount of such income. In this regard, the rules of § 1.421-6 apply to an option received in payment of an amount constituting compensation regardless of the form of the transaction.

Thus, the rules of § 1.421-6 apply to an option transferred for less than its fair market value in a transaction taking the form of a sale or exchange if the difference between the amount paid for the option and its fair market value at the time of transfer is the payment of an amount constituting compensation of the transferee or any other person. This section, for example, makes the rules of § 1.421-6 applicable to options granted in whole or partial payment for services of an independent contractor. If an amount of money or property is paid for an option to which this paragraph applies, then the amount paid shall be part of the basis of such option. For the rules with respect to an option granted in connection with the performance of services after June 30, 1969, see section 83 and the regulations thereunder.

(d) *Effective date.* This section shall apply to options granted after July 11, 1963, and before July 1, 1969 (unless paragraph (d) of § 1.83-8 applies) other than options required to be granted pursuant to the terms of a written contract entered into before July 11, 1963.

PAR. 3. There are inserted after § 1.79-3 the following new sections:

§ 1.83 Statutory provisions; property transferred in connection with the performance of services.

SEC. 83. *Property transferred in connection with performance of services—(a) General rule.* If, in connection with the performance of services, property is transferred to any person other than the person for whom such services are performed, the excess of—

(1) The fair market value of such property (determined without regard to any restriction other than a restriction which by its terms will never lapse) at the first time the rights of the person having the beneficial interest in such property are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier, over

(2) The amount (if any) paid for such property,

shall be included in the gross income of the person who performed such services in the first taxable year in which the rights of the person having the beneficial interest in such property are transferable or are not subject to a substantial risk of forfeiture, whichever is applicable. The preceding sentence shall not apply if such person sells or otherwise disposes of such property in an arm's length transaction before his rights in such property become transferable or not subject to a substantial risk of forfeiture.

(b) *Election to include in gross income in year of transfer—(1) In general.* Any person who performs services in connection with which property is transferred to any person may elect to include in his gross income, for the taxable year in which such property is transferred, the excess of—

(A) The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse), over

(B) The amount (if any) paid for such property.

If such election is made, subsection (a) shall not apply with respect to the transfer of such property, and if such property is subsequently forfeited, no deduction shall be allowed in respect of such forfeiture.

(2) *Election.* An election under paragraph (1) with respect to any transfer of property shall be made in such manner as the Secretary or his delegate prescribes and shall be made not later than 30 days after the date of such transfer (or, if later, 30 days after the date of the enactment of the Tax Reform Act of 1969). Such election may not be revoked except with the consent of the Secretary or his delegate.

(c) *Special rules.* For purposes of this section—

(1) *Substantial risk of forfeiture.* The rights of a person in property are subject to a substantial risk of forfeiture if such person's rights to full enjoyment of such property are conditioned upon the future performance of substantial services by any individual.

(2) *Transferability of property.* The rights of a person in property are transferable only if the rights in such property of any transferee are not subject to a substantial risk of forfeiture.

(d) *Certain restrictions which will never lapse—(1) Valuation.* In the case of property subject to a restriction which by its terms will never lapse, and which allows the transferee to sell such property only at a price determined under a formula, the price so determined shall be deemed to be the fair market value of the property unless established to the contrary by the Secretary or his delegate, and the burden of proof shall be on the Secretary or his delegate with respect to such value.

(2) *Cancellation.* If, in the case of property subject to a restriction which by its terms will never lapse, the restriction is cancelled then, unless the taxpayer establishes—

(A) That such cancellation was not compensatory, and

(B) That the person, if any, who would be allowed a deduction if the cancellation were treated as not compensatory, will treat the transaction as not compensatory, as evidenced in such manner as the Secretary or his delegate shall prescribe by regulations,

the excess of the fair market value of the property (computed without regard to the restrictions) at the time of cancellation over the sum of—

(C) The fair market value of such property (computed by taking the restriction into account) immediately before the cancellation, and

(D) The amount, if any, paid for the cancellation,

shall be treated as compensation for the taxable year in which such cancellation occurs.

(e) *Applicability of section.* This section shall not apply to—

(1) A transaction to which section 421 applies,

(2) A transfer to or from a trust described in section 401(a) or a transfer under an annuity plan which meets the requirements of section 404(a) (2),

(3) The transfer of an option without a readily ascertainable fair market value, or

(4) The transfer of property pursuant to the exercise of an option with a readily ascertainable fair market value at the date of grant.

(f) *Holding period.* In determining the period for which the taxpayer has held property to which subsection (a) applies, there shall be included only the period beginning at the first time his rights in such property are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier.

(g) *Certain exchanges.* If property to which subsection (a) applies is exchanged for property subject to restrictions and conditions substantially similar to those to which the property given in such exchange was subject, and if section 354, 355, 356, or 1036 (or

so much of section 1031 as relates to section 1036) applied to such exchange, or if such exchange was pursuant to the exercise of a conversion privilege—

(1) Such exchange shall be disregarded for purposes of subsection (a), and

(2) The property received shall be treated as property to which subsection (a) applies.

(h) *Deduction by employer.* In the case of a transfer of property to which this section applies or a cancellation of a restriction described in subsection (d), there shall be allowed as a deduction under section 162, to the person for whom were performed the services in connection with which such property was transferred, an amount equal to the amount included under subsection (a), (b), or (d) (2) in the gross income of the person who performed such services. Such deduction shall be allowed for the taxable year of such person in which or with which ends the taxable year in which such amount is included in the gross income of the person who performed such services.

(i) *Transition rules.* This section shall apply to property transferred after June 30, 1969, except that this section shall not apply to property transferred—

(1) Pursuant to a binding written contract entered into before April 22, 1969,

(2) Upon the exercise of an option granted before April 22, 1969,

(3) Before May 1, 1970, pursuant to a written plan adopted and approved before July 1, 1969.

(4) Before January 1, 1973, upon the exercise of an option granted pursuant to a binding written contract entered into before April 22, 1969, between a corporation and the transferor requiring the transferor to grant options to employees of such corporation (or a subsidiary of such corporation) to purchase a determinable number of shares of stock of such corporation, but only if the transferee was an employee of such corporation (or a subsidiary of such corporation) on or before April 22, 1969, or

(5) In exchange for (or pursuant to the exercise of a conversion privilege contained in) property transferred before July 1, 1969, or for property to which this section does not apply (by reason of paragraphs (1), (2), (3), or (4)), if section 354, 355, 356, or 1036 (or so much of section 1031 as related to section 1036) applies, or if gain or loss is not otherwise required to be recognized upon the exercise of such conversion privilege, and if the property received in such exchange is subject to restrictions and conditions substantially similar to those to which the property given in such exchange was subject.

(Sec. 83 as added by sec. 321(a) Tax Reform Act 1969 (83 Stat. 588))

§ 1.83-1 Property transferred in connection with the performance of services.

(a) *In general.* Section 83 provides rules for the taxation of property transferred to an employee or independent contractor (or beneficiary thereof) in connection with the performance of services by such employee or independent contractor. In general, the excess of—

(1) The fair market value of such property (determined without regard to any restriction other than a restriction which by its terms will never lapse) when the transfer of such property becomes complete, over

(2) The amount (if any) paid for such property,

shall be included as compensation in the gross income of such employee or independent contractor for the taxable

year in which such transfer becomes complete. Until such transfer becomes complete, the transferor shall be regarded as the owner of such property, and any income from such property received by the employee or independent contractor (or beneficiary thereof) or the right to the use of such property by the employee or independent contractor constitutes additional compensation and shall be included in the gross income of such employee or independent contractor for the taxable year in which such income is received or such use is made available. The forfeiture of such property after its transfer becomes complete shall be treated as a disposition of such property upon which there is recognized a loss equal to the amount of the taxpayer's adjusted basis in such property, and if such property is a capital asset in the hands of the taxpayer, such loss shall be a capital loss. This paragraph applies to a transfer of property in connection with the performance of services notwithstanding that the transferor is not the person for whom such services were performed. See section 83(h) and § 1.83-6 for rules for the treatment of employers and other transferors of property in connection with the performance of services.

(b) *Subsequent sale or other disposition.* If property transferred in connection with the performance of services is subsequently sold or otherwise disposed of in an arm's length transaction before such transfer becomes complete, the excess of—

(1) The amount realized on such sale or other disposition, over

(2) The amount (if any) paid for such property,

shall be included as compensation in the gross income of the person who performed such services for the taxable year of such sale or other disposition. The preceding sentence shall not apply to any exchange to the extent that the property received is not transferable and is subject to a substantial risk of forfeiture, and the property received in such an exchange shall be treated as property to which section 83 applies. If property is forfeited after a disposition to which this paragraph applies, such forfeiture shall be treated as a disposition of such property upon which there is recognized a loss equal to the amount of the taxpayer's adjusted basis in such property. If such property is a capital asset in the hands of the taxpayer, such loss shall be a capital loss.

(c) *Dispositions not at arm's length.* If property transferred in connection with the performance of services is disposed of in a transaction which is not at arm's length occurring before such transfer becomes complete, the person who performed the services in connection with which such property was transferred realizes compensation includible in his gross income in the amount of money or other property (which is transferable or not subject to a substantial risk of forfeiture) received in such disposition in accordance with his method of accounting. The amount

of such compensation shall not exceed the fair market value (determined without regard to any restrictions other than a restriction which by its terms will never lapse) at the time of disposition of the property disposed of less the price originally paid for such property. Moreover, the person who performed the services realizes additional compensation at the time and in the amount determined under paragraphs (a) and (b) of this section, except that the amount of compensation determined under such paragraphs shall be reduced by any amount previously includible in gross income under this paragraph. For example, if in 1971 an employee pays \$50 for a share of stock which has a fair market value of \$100 and which is not transferable and is subject to a substantial risk of forfeiture, and later in 1971 (at a time when the property still has a fair market value of \$100) the employee disposes of, in a transaction not at arm's length, the share of stock to his wife for \$10, the employee realizes compensation of \$10 in 1971. If in 1972 when the stock has a fair market value of \$120 the share of stock first becomes transferable and not subject to a substantial risk of forfeiture, the employee realizes additional compensation in 1972 in the amount of \$60 (the \$120 fair market value of the stock less \$50 price paid for the stock plus \$10 taxed as compensation in 1971). For the purpose of this paragraph, if property is transferred to a person other than the person who performed the services and the transferee dies holding the property before such transfer becomes complete when the person who performed the services is still living, the transfer which results by reason of the death of such person is a transfer not at arm's length.

(d) *Certain transfers upon death.* If property is transferred in connection with the performance of services and the person who performed such services dies before such transfer becomes complete, any income subsequently realized in respect of such property is income in respect of a decedent to which the rules of section 691 apply. In such a case the income in respect of such property shall be taxable under section 691 to the estate or beneficiary of the person who performed the services in accordance with section 83 and the regulations thereunder. If, however, such transfer becomes complete by reason of death of the person who performed the services, any income realized upon such death is not income in respect of a decedent and is includible in gross income for such person's last taxable year.

(e) *Examples.* The provisions of this section may be illustrated by the following examples:

Example (1). On November 1, 1973, X corporation sells to E, an employee, 100 shares of X corporation stock at \$10 per share. At the time of such sale the fair market value of the X corporation stock is \$100 per share. Under the terms of the sale, each share of stock is nontransferable and subject to a substantial risk of forfeiture which will not lapse until November 1, 1978. Evidence of these restrictions is stamped on the face of

E's stock certificates. In addition, no dividends are paid on the X stock during 1973. Since E's stock is nontransferable and is subject to a substantial risk of forfeiture, such transfer is not complete, and E does not include any amount in his gross income as compensation for 1973, despite the fact that the fair market value (\$100 per share) of the X corporation stock exceeds the price E paid for the stock (\$10 per share).

Example (2). Assume the facts are the same as in example (1) except that on November 1, 1978, the fair market value of the X corporation stock is \$250 per share. Since the transfer of the X corporation stock becomes complete in 1978, E must include \$24,000 (100 shares of X corporation stock × \$250 fair market value per share less \$10 price paid by E for each share) as compensation in 1978.

Example (3). Assume the facts are the same as in example (2), except that on November 1, 1978, each share of stock of X corporation in E's hands could as a matter of law be transferred to a bona fide purchaser who would not be required to forfeit the stock if the risk of forfeiture materialized. In the event, however, that the risk materializes, E would be liable in damages to X. Since E's stock is transferable within the meaning of § 1.83-3(e) in 1978, the transfer is complete, and E must include \$24,000 (100 shares of X corporation stock × \$250 fair market value per share less \$10 price paid by E for each share) as compensation in 1978.

Example (4). Assume the facts are the same as in example (1) except that, in 1974 E sells his 100 shares of X corporation stock in an arm's length sale to I, an investment company, for \$120 per share. At the time of this sale each share of X corporation's stock has a fair market value of \$200. Under paragraph (b) of this section, E must include \$11,000 (100 shares of X corporation stock × \$120 amount realized per share less \$10 price paid by E per share) as compensation in 1974 notwithstanding that the stock remains nontransferable and is still subject to a substantial risk of forfeiture at the time of such sale. Under subparagraph (2) of § 1.83-4(b), I's basis in the X corporation stock is \$120 per share.

§ 1.83-2 Election to include in gross income in year of transfer.

(a) *In general.* Under section 83(b), if property is transferred in connection with performance of services and such transfer is not complete at the time it is made, the person performing such services may elect to treat such transfer as a complete transfer and to include in his gross income for the taxable year in which such property is transferred, the excess of the fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) over the amount (if any) paid for such property. If this election is made, section 83(a) and the regulations thereunder, do not apply with respect to such property, and except as otherwise provided in section 83(d)(2) and the regulations thereunder, any subsequent appreciation in the value of the property is not taxable as compensation. In computing the gain or loss from the subsequent sale or exchange of such property, its basis shall be the amount paid for the property increased by the amount included in gross income under

section 83(b). However, notwithstanding the preceding sentence if the property is later forfeited or sold in an arm's length transaction before the transfer of such property becomes complete, such forfeiture or sale shall be treated as a disposition upon which there is recognized a loss equal to the excess (if any) of—

- (1) The amount that the taxpayer actually paid for such property, over
- (2) The amount realized (if any) upon such forfeiture or sale.

If such property is a capital asset in the hands of the taxpayer, such loss shall be a capital loss.

(b) *Manner of making election.* The election referred to in paragraph (a) of this section is made by filing one copy of a written statement with the internal revenue officer with whom the person who performed the services files his return. In addition, one copy of such statement shall be submitted with his income tax return for the taxable year in which such property was transferred.

(c) *Additional copies.* The person who performed the services shall also submit a copy of the statement referred to in paragraph (b) of this section to the person for whom the services are performed, and, in addition, if the person who performs the services in connection with which property is transferred and the transferee of such property are not the same person, the person who performs the services shall submit a copy of such statement to the transferee of the property.

(d) *Content of statement.* The statement shall be signed by the person making the election and shall indicate that it is being made under section 83(b) of the Code, and shall contain the following information:

- (1) The name, address, and taxpayer identification number of the taxpayer;
- (2) A description of each property with respect to which the election is being made;
- (3) The date or dates on which the property is transferred and the taxable year (for example, "calendar year 1970" or "Fiscal year ending May 31, 1970") in which such election was made;
- (4) The nature of the restriction or restrictions to which the property is subject;
- (5) The fair market value at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) of each property with respect to which the election is being made;
- (6) The amount (if any) paid for such property; and
- (7) With respect to elections made after [date of filing of the Treasury decision] a statement to the effect that copies have been furnished to other persons as provided in paragraph (c) of this section.

(e) *Time for making election.* The statement referred to in paragraph (b) of this section shall be filed not later than 30 days after the date the property was transferred (or, if later, January 29,

1970). Any statement filed before February 15, 1970, which was amended not later than February 16, 1970, in order to make it conform to the requirements of paragraph (d) of this section shall be deemed a proper election under section 83(b).

(f) *Revocability of election.* An election under section 83(b) may not be revoked except with the consent of the Commissioner. In any event, a decline in value of the property with respect to which an election under section 83(b) has been made or a failure to perform an act contemplated at the time of transfer of such property will not alone constitute grounds of revocation.

§ 1.83-3 Meaning and use of certain terms.

(a) *Transfer.* (1) For purposes of section 83 and the regulations thereunder, a transfer of property occurs when a person acquires rights in property which, without the payment of further consideration (other than the performance of substantial services), may ripen into an ownership interest in such property or when a person becomes subject to a binding commitment to purchase an ownership interest in such property. Thus, the grant of an option does not constitute a transfer of the property subject to the option, and no transfer of such property occurs until the option is exercised and the optionee pays or incurs a personal liability to pay the option price. If a person acquires an interest in property and gives an evidence of indebtedness without personal liability in exchange therefor, such person is considered to have been granted an option to purchase such property, and a transfer of such property occurs only when, and to the extent that, payments are made in discharge of such indebtedness. No transfer of property occurs upon a person's acquisition of an interest in property for the sole purpose of securing the payment of deferred compensation; see, however, section 402(b) and the regulations thereunder for rules relating to the taxability of beneficiaries of employees' trusts which are not exempt under section 501(a) and of other similar deferred compensation arrangements.

(2) The provisions of this paragraph may be illustrated by the following examples:

Example (1). On January 3, 1971, X corporation purports to transfer to E, an employee, 100 shares of stock in X corporation. The X stock is subject to the sole restriction that E must sell such stock to X on termination of employment for any reason for an amount which is equal to the excess (if any) of the book value of the X stock at termination of employment less book value on January 3, 1971. The stock is not transferable by E and the restrictions on transfer are stamped on the certificate. Under these facts and circumstances, E's rights in the X stock are more in the nature of a security interest for the payment of deferred compensation than an ownership interest in property and, accordingly, there is no transfer of property in connection with the performance of services within the meaning of section 83.

Example (2). Assume the same facts as in example (1) except that E pays for the X

stock with a promissory note without personal liability with a face value equal to the book value of the X stock on January 3, 1971. In addition, X is obligated to repurchase the X stock at E's termination of employment for an amount equal to the book value of the X stock at such time. Under these facts and circumstances, for purposes of section 83, a transfer of the X stock to E occurs only when and to the extent that E makes payments of principal to X under the terms of the promissory note.

Example (3). Assume the same facts as in example (1) except that the X stock is subject to the sole restriction that it must be sold to X upon E's termination of employment for the total amount of dividends that have been declared on the X stock from January 3, 1971, to the date of E's termination of employment. Under these facts and circumstances, as in example (1), E's rights in the stock are more in the nature of a security interest for the payment of deferred compensation than an ownership interest in property and, accordingly, there is no transfer within the meaning of section 83.

Example (4). On February 28, 1971, Y corporation sells to E, an employee, stock in Z corporation, a large computer manufacturer. The purchase price for the Z stock is determined under a formula price to be an amount equal to one-half of the book value per share of the Z stock on February 28, 1971. In addition, the stock is subject to the sole restriction that E must sell the Z stock to Y when E retires or terminates employment for an amount equal to three-quarters of the book value per share of Z stock on the date of E's retirement or termination of employment. Under these facts and circumstances, E acquired a property interest on February 28, 1971, because on that date E obtained a valuable right which could increase or decrease in value dependent upon future economic success or failure of Z's computer business. Therefore, there has been a transfer of the Z stock to E within the meaning of section 83.

Example (5). G, a corporation, transfers to E, an employee, a new home in which his interest is nontransferable and is subject to a substantial risk of forfeiture for a 10-year period. However, G allows E to live rent free in the home during the 10-year period. Since E's interest in the home is nontransferable and subject to a substantial risk of forfeiture, the transfer of the home to E is not complete. Under these facts and circumstances, E must include the fair rental value of the home in his gross income as compensation for each taxable year until the transfer of the home becomes complete. When the transfer to E of the home first becomes complete, E must include in his gross income as compensation the then existing fair market value of the home less any amount he has paid or is required to pay to complete such transfer.

(b) *Complete transfer.* For purposes of section 83 and the regulations thereunder, a transfer of property in connection with performance of services by an employee or independent contractor becomes complete when the rights of the employee or independent contractor or beneficiary thereof in such property cease to be subject to a substantial risk of forfeiture or become transferable, whichever occurs earlier.

(c) *Substantial risk of forfeiture.* (1) For purposes of section 83 and the regulations thereunder, the rights of a person in property are subject to a substantial risk of forfeiture if such person's rights to full enjoyment of such property

are conditioned upon the future performance, or the refraining from the performance, of substantial services by any individual. Whether such services are substantial depends upon the particular facts and circumstances. The regularity of the performance of services and the time spent in performing such services tend to indicate whether services are substantial. In addition, the fact that the person performing such services has the right to decline to perform such services may tend to establish that services are insubstantial. Thus, for example, a requirement that an employee must return property transferred to him in connection with his performance of services for his employer if he does not complete an additional period of substantial services would cause such property to be subject to a substantial risk of forfeiture. On the other hand, a requirement that the property be returned to the employer if the employee commits a crime will not be considered to result in a substantial risk of forfeiture. An enforceable requirement that the property be returned to the employer if the employee accepts a job with a competing firm will not ordinarily be considered to result in a substantial risk of forfeiture unless the particular facts and circumstances indicate to the contrary. Factors which may be taken into account in determining whether a covenant not to compete constitutes a substantial risk of forfeiture are the age of the employee, the availability of alternative employment opportunities, the likelihood of the employee's obtaining such other employment, the degree of skill possessed by the employee, the employee's health, and the practice (if any) of the employer to enforce such covenants. Similarly, rights in property transferred to a retiring employee subject to the sole requirement that it be returned unless he renders consulting services upon the request of his former employer would not be considered subject to a substantial risk of forfeiture unless he is in fact expected to perform substantial services. Rights in property transferred to an employee (or beneficiary thereof) of a corporation who owns, directly or indirectly, more than 5 percent of the total combined voting power or value of all classes of stock of the employer corporation or of its parent or subsidiary corporation will not be considered subject to a substantial risk of forfeiture unless the possibility that the employee will not satisfy the requirement claimed to result in such risk is substantial; in determining whether the possibility is substantial, there will be taken into account (i) the employee's relationship to other stockholders and the extent of their control, potential control and possible loss of control of the corporation, (ii) the position of the employee in the corporation and the extent to which he is subordinate to other employees, (iii) the employee's relationship to the officers and directors of the corporation, (iv) the person or persons who must approve the employee's discharge, and (v) past actions of the employer in enforcing the provisions of

the restrictions. For example, if 20 percent of the single class of stock of a corporation is owned by an employee and the remaining stock is owned by an unrelated individual and members of his immediate family, rights in property transferred to such employee by the corporation will not be considered not to be subject to a substantial risk of forfeiture by reason of his ownership of 20 percent of the stock of the employer corporation. On the other hand, if 4 percent of the voting power of all the stock of a corporation is owned by the president of such corporation and the remaining stock is so diversely held by the public that such individual in effect controls such corporation, rights in property transferred to him by such corporation will be considered not to be subject to a substantial risk of forfeiture. Where stock is transferred to an underwriter prior to a public offering and the full enjoyment of such stock is expressly or impliedly conditioned upon the successful completion of the underwriting, the stock is subject to a substantial risk of forfeiture. A substantial risk of forfeiture will not be considered to exist in connection with the performance of services where the employer is required to pay full value or substantially full value to the employee upon the return of such property. A restriction which by its terms will never lapse standing by itself will not be considered to result in a substantial risk of forfeiture.

(2) The rules stated in this paragraph may be illustrated by the following examples:

Example (1). On November 1, 1971, corporation X transfers in connection with the performance of services to E, an employee, 100 shares of corporation X stock for \$90 per share. Under the terms of the transfer, E will be subject to a binding commitment to resell the stock to corporation X at \$90 per share if he leaves the employment of corporation X for any reason prior to the expiration of a 10-year period from the date of such transfer. Since E must perform substantial services to corporation X, E's rights in the stock is subject to a substantial risk of forfeiture.

Example (2). On November 25, 1971, corporation X gives to E, an employee, in connection with his performance of services to corporation X, a bonus of 100 shares of corporation X stock. Under the terms of the bonus arrangement E is obligated to return the corporation X stock to corporation X if he terminates his employment for any reason. However, for each year occurring after November 25, 1971, during which E remains employed with corporation X, E ceases to be obligated to return 10 shares of the corporation X stock. Since in each year occurring after November 25, 1971, for which E remains employed he is not required to return 10 shares of corporation X's stock, E's rights in 10 shares each year for 10 years cease to be subject to a substantial risk of forfeiture for each year he remains so employed.

Example (3). Assume the same facts as in example (2) except that for each year occurring after November 25, 1971, for which E remains employed with corporation X, agrees to pay, in redemption of the bonus shares given to E if he terminates employment for any reason, 10 percent of the fair market value of each share of stock on the date of such termination of employment. Since corporation X will pay E 10 percent of the fair market value of the corporation X stock for

each year E remains employed, the corporation X stock in E's hands is not subject to a substantial risk of forfeiture to the extent of such additional 10 percent amount each year which corporation X agrees to pay any amount to E in exchange for such shares.

Example (4). On January 7, 1971, corporation X, a computer service company, transfers to E, a 45-year-old employee, 100 shares of corporation X stock for \$50. E is a highly compensated salesman who sold X's products in a three-state area since 1960. At the time of transfer each share of X stock has a fair market value of \$100. The stock was transferred to E in connection with his termination of employment with X. Each share of X stock is subject to the sole condition that E can keep such share only if he does not engage in competition with X for a 5-year period in the three-state area where E had previously sold X's products. In order for E to establish the necessary business contacts to enable him to earn a salary in another industry comparable to his current compensation, E would have to expend considerable time and effort. In view of the substantial possibility under these facts and circumstances that E will compete with X in the three-state area, the X stock in his hands is subject to a substantial risk of forfeiture.

(d) *Transferability of property.* For purposes of section 83 and the regulations thereunder, the rights of a person in property are transferable if such person can transfer any interest in the property to any person other than the transferor of the property, but only if the rights in such property of any such transferee are not subject to a substantial risk of forfeiture. Accordingly, property is transferable if the person performing the services or receiving the property can sell, assign, or pledge as collateral for a loan or as security for the performance of an obligation or for any other purpose his interest in the property to any person other than the transferor of such property and if the transferee is not required to give up the property or its value in the event the substantial risk of forfeiture materialize. On the other hand, property is not considered to be transferable merely because the person performing the services or receiving the property may designate a beneficiary to receive the property in the event of his death.

(e) *Property.* For purposes of section 83 and the regulations thereunder, the term "property" includes both reality and personality other than money and other than an unfunded and unsecured promise to pay deferred compensation. In the case of a transfer of a life insurance contract, retirement income contract, endowment contract, or other contract providing life insurance protection, only the cash surrender value of the contract is considered to be property. In this connection, the rules relating to the taxation of the cost of life insurance protection provided in paragraph (b) of § 1.72-16 shall apply.

(f) *Property transferred in connection with the performance of services.* In general, property transferred to an employee or an independent contractor or beneficiary thereof in recognition of the performance of services is considered transferred in connection with the performance of services within the meaning of

section 83. The transfer of property is subject to section 83 whether such transfer is in respect of past, present, or future services.

§ 1.83-4 Special rules.

(a) *Holding period.* Under section 83 (f), the holding period of property to which section 83(a) applies shall begin when the transfer of such property becomes complete. However, if the person who has performed the services in connection with which property is transferred has made an election under section 83(b), the holding period of such property shall begin on the date such property was transferred. If property to which section 83 and the regulations thereunder apply is transferred at arm's length, the holding period of such property in the hands of the transferee shall begin on the date of such transfer.

(b) *Basis.* (1) Except as provided in subparagraph (2) of this paragraph, if property to which section 83 and the regulations thereunder apply is acquired by any person (including a person who acquires such property in a subsequent transfer which is not at arm's length), such person's basis for the property so acquired shall be the sum of any amount paid for such property and any amount included in the gross income of the person who performed the services in connection with which such property was transferred.

(2) If property to which § 1.83-1 applies is transferred at arm's length, the basis of the property in the hands of the transferee shall be determined under section 1012 and the regulations thereunder.

(c) *Certain notes transferred to employee or independent contractor.* Notes or other evidences of indebtedness transferred in connection with the performance of services constitute compensation in accordance with section 83 and the regulations thereunder. A taxpayer receiving a note shall treat the receipt of such note as compensation in an amount and at the time determined in accordance with section 83 and the regulations thereunder at its fair market value, including any adjustment for discount or premium computed with reference to the prevailing interest rate. As payments are received on such a note, there shall be included in income that portion of each payment which represents the proportionate part of the discount originally taken on the entire note.

§ 1.83-5 Certain restrictions which will never lapse.

(a) *Definition of nonlapse restrictions.* For purposes of section 83 and the regulations thereunder, a restriction which by its terms will never lapse (hereinafter called a nonlapse restriction) is—

(1) A limitation on the subsequent transfer of property transferred in connection with the performance of services.

(2) Which allows the transferee of the property to sell such property at a price determined under a formula, and

(3) Which will continue to apply to, and to be enforced against any subse-

quent holder (other than the transferor).

A requirement resulting in a substantial risk of forfeiture will not be considered to result in a nonlapse restriction. Registration requirements imposed by Federal or State securities law or similar laws with respect to sales or other dispositions of stock or securities will not be considered to result in a nonlapse restriction. An obligation to resell property transferred in connection with the performance of services to the person for whom such services were performed at its fair market value at the time of such sale is not a nonlapse restriction.

(b) *Valuation.* In the case of property subject to a nonlapse restriction, the price determined under the formula price shall be deemed to be the fair market value of the property unless established to the contrary by the Commissioner, and the burden of proof shall be on the Commissioner with respect to such value. If stock in a corporation is subject to a nonlapse restriction which allows the transferee to sell such stock only at a formula price based upon book value or a reasonable multiple of earnings, the price so determined will ordinarily be regarded as determinative of the value of such property for purposes of section 83.

(c) *Cancellation.*—(1) *In general.* Under section 83(d) (2), if a nonlapse restriction to which property is subject is canceled, then, unless the taxpayer establishes—

(i) That such cancellation was not compensatory, and

(ii) That the person, if any, who would be allowed a deduction if the cancellation were treated as compensatory, will treat the transaction as not compensatory, as provided in subparagraph (2) of this paragraph,

the excess of the fair market value of the property (computed without regard to the restrictions) at the time of cancellation, over the sum of—

(iii) The fair market value of such property (computed by taking the restriction into account) immediately before the cancellation, and

(iv) The amount, if any, paid for the cancellation,

shall be treated as compensation for the taxable year in which such cancellation occurs. Whether there has been a noncompensatory cancellation of a nonlapse restriction depends upon the particular facts and circumstances. Ordinarily the fact that the employee is required to perform additional services or that the employee's salary is adjusted to take such cancellation into account indicates that such cancellation has a compensatory purpose. On the other hand, the fact that the original purpose of such restriction no longer exists may indicate that the purpose of such cancellation is noncompensatory. Thus, for example, if a so-called "buy-sell" restriction was imposed on a corporation's stock to limit ownership of such stock and is being

canceled in connection with a public offering of the stock, such cancellation will generally be regarded as noncompensatory. However, the mere fact that the employer is willing to forego a deduction under section 83(h) is insufficient evidence to establish a noncompensatory cancellation of a nonlapse restriction. In addition, a corporation's refusal to repurchase its own stock subject to a right of first refusal in such corporation will generally be treated as a cancellation of such nonlapse restriction.

(2) *Evidence of noncompensatory cancellation.* In addition to the information necessary to establish the factors described in subparagraph (1) of this paragraph, the taxpayer referred to in subparagraph (1) of this paragraph shall request his employer to furnish him with a written statement indicating that the employer will not treat the cancellation of the nonlapse restriction as a compensatory event, and that no deduction will be taken with respect to such cancellation. The taxpayer shall file such written statement with his income tax return for the taxable year in which or with which such cancellation occurs.

(d) *Examples.* The provisions of this section may be illustrated by the following examples:

Example (1). On November 1, 1971, X corporation whose shares are closely held and not regularly traded, transfers to E, an employee, 100 shares of X corporation stock subject to the sole condition that, if he desires to dispose of such stock during the period of his employment, he must resell the stock to his employer at its then existing book value, and he or his estate is obligated to offer to sell the stock at his retirement or death to his employer at its then existing book value. Under these facts and circumstances, the restriction to which the shares of X corporation stock are subject is a nonlapse restriction. Consequently, the fair market value of the X stock is includible in E's gross income as compensation for taxable year 1971. However, in determining the fair market value of the X stock, the book value formula price will be regarded as being determinative of such value.

Example (2). Assume the facts are the same as in example (1), except that the X stock is subject to the sole condition that if E desires to dispose of the stock during the period of his employment he must resell the stock to his employer at a multiple of earnings per share that is in this case a reasonable approximation of value at the time of transfer to E, and he is obligated to offer to sell the stock at his retirement or death to his employer at the same multiple of earnings. Under these facts and circumstances, the restriction to which the X corporation stock is subject is a nonlapse restriction. Consequently, the fair market value of the X stock is includible in E's gross income for taxable year 1971. However, in determining the fair market value of the X stock, the multiple-of-earnings formula price will be regarded as determinative of such value.

Example (3). On January 1, 1971, X corporation transfers to E, an employee, 100 shares of stock in X corporation. Each such share of stock is subject to an agreement between X and E whereby E agrees that such shares are to be held solely for investment purposes and not for resale (a so-called investment letter restriction). Since E's rights in such stock are not subject to a substantial risk

of forfeiture, the fair market value of each share of X corporation stock is includible in E's gross income as compensation for taxable year 1971. Since such an investment letter restriction does not constitute a non-lapse restriction, in determining the fair market value of each share the investment letter restriction is disregarded.

§ 1.83-6 Deduction by employer.

(a) *In general.* In the case of a transfer of property in connection with the performance of services or a compensatory cancellation of a restriction described in section 83(d), there is allowed as a deduction under section 162 or 212, to the person for whom such services were performed, an amount equal to the amount included, under subsection (a), (b), or (d) (2) of section 83 as compensation, in the gross income of the person who performed such services, but only to the extent such amount meets the requirements of section 162 or 212 and the regulations thereunder. Such deduction shall be allowed only for the taxable year of such person in which or with which ends the taxable year for which such amount is included as compensation in the gross income of the person who performed such services. However, no deduction is allowed under section 83(h) to the extent that property transferred in connection with the performance of services constitutes a capital expenditure. In such a case, the basis of the property to which such capital expenditure relates shall be increased at the same time and to the same extent as any amount is includible in the employee's gross income in respect of such transfer. Thus, for example, no deduction is allowed to a corporation in respect of a transfer of its stock to a promoter upon its organization, notwithstanding that such promoter must include the value of such stock in his gross income in accordance with the rules stated in section 83. For purposes of this paragraph, any amount excluded from gross income under section 101(b) of subchapter N shall be considered to have been included in gross income.

(b) *Recognition of gain or loss.* The transfer of property in connection with the performance of services constitutes, at the time a deduction is allowed under section 83(h) and paragraph (a) of this section in respect of such transfer, a disposition of such property upon which, except as provided in section 1032 and the regulations thereunder, gain or loss is recognized. For purposes of determining the amount of such gain or loss, the amount realized from such disposition is the amount allowed as a deduction under section 83(h) and paragraph (a) of this section.

(c) *Forfeitures.* If, under section 83(h) and paragraph (a) of this section, a deduction was allowed in respect of a transfer of property and such property is subsequently forfeited, the person to whom such deduction was allowed shall include in gross income as ordinary gain the excess of the fair market value of such property at the time of such forfeiture over the amount paid (if any) upon such forfeiture. If its own stock is

forfeited to a corporation, the amount includible in gross income shall not exceed the amount of such deduction.

(d) *Special rules.* Where a shareholder of a corporation transfers stock to an employee of such corporation in consideration of services performed for the corporation, the transaction shall be considered to be a contribution of such stock to the capital of such corporation by the shareholder and a transfer of the stock by the corporation to the employee. Similarly, where a corporation transfers its stock to a person who has performed services for a subsidiary of such corporation, the transaction shall be considered—

(1) A contribution of money by the corporation to its subsidiary's capital,

(2) A purchase of the stock by the subsidiary from the corporation for its full value, and

(3) A transfer of the stock by the subsidiary to its employee.

§ 1.83-7 Taxation of options not subject to sections 421-425.

(a) *In general.* (1) If there is granted, in connection with performance of services, an option to which section 421 does not apply, and which has a readily ascertainable fair market value (determined in accordance with paragraph (b) of this section) at the time the option is granted, the person who performed such services realizes compensation in accordance with the rules stated in § 1.83-1.

(2) If there is granted, in connection with the performance of services, an option to which section 421 does not apply and which does not have a readily ascertainable fair market value (determined in accordance with paragraph (b) of this section) at the time the option is granted, the person who performed such services realizes compensation when the property subject to the option is transferred upon the exercise of such option in accordance with the rules stated in § 1.83-1, even though the fair market value of such option may become readily ascertainable before such time.

(b) *Readily ascertainable defined—*

(1) *Actively traded on an established market.* Options have a value at the time they are granted, but that value is ordinarily not readily ascertainable unless the option is actively traded on an established market. If an option is actively traded on an established market, the fair market value of such option is readily ascertainable for purposes of this section by applying the rules of valuation set forth in § 20.2031-2 of this chapter (the Estate Tax Regulations).

(2) *Not actively traded on an established market.* (i) When an option is not actively traded on an established market, the fair market value of the option is not readily ascertainable unless the fair market value of the option can be measured with reasonable accuracy. For purposes of this section, if an option is not actively traded on an established market, the option does not have a readily ascertainable fair market value when granted unless the taxpayer can show that all of the following conditions exist:

(a) The option is transferable by the optionee;

(b) The option is exercisable immediately in full by the optionee;

(c) The option or the property subject to the option is not subject to any restriction or condition (other than a lien or other condition to secure the payment of the purchase price) which has a significant effect upon the fair market value of the option; and

(d) The fair market value of the option privilege is readily ascertainable in accordance with subdivision (ii) of this subparagraph.

(ii) The fair market value of an option includes the value attributable to the option privilege and may include the value attributable to the right to make an immediate bargain purchase of the property subject to the option. If the option provides an option price which is less than the fair market value of the property subject to the option at the time it is granted, an immediate gain may be realized by exercising the option at the bargain price and selling the property so acquired. However, irrespective of whether there is a right to make an immediate bargain purchase of the property subject to the option, the fair market value of the option includes the value of the option privilege. The option privilege is the opportunity to benefit at any time during the period the option may be exercised from any appreciation during such period in the value of the property subject to the option without risking any capital. Therefore, the fair market value of an option is not merely the difference which may exist at a particular time between the option price and the value of the property subject to the option but also includes the value of the option privilege. Accordingly, for purposes of this section, the fair market value of the option is not readily ascertainable unless the value of the option privilege can be measured with reasonable accuracy. In determining whether the value of the option privilege is readily ascertainable, and in determining the amount of such value when such value is readily ascertainable, it is necessary to consider—

(a) Whether the value of the property subject to the option can be ascertained;

(b) The probability of any ascertainable value of such property increasing or decreasing; and

(c) The length of the period during which the option can be exercised.

§ 1.83-8 Applicability of section and transitional rules.

(a) *Scope of section 83.* Section 83 is not applicable to—

(1) A transfer of an option to which section 421 applies;

(2) Except as provided in sections 402(b) and 403(c) and the regulations thereunder, a transfer to or from a trust for the benefit of employees (whether or not qualified under section 401(a)), a transfer under an annuity plan whether or not it meets the requirements of section

404(a)(2), or a transfer under an annuity plan whether or not it meets the requirements of section 403(b);

(3) The transfer of an option without a readily ascertainable fair market value (as defined in paragraph (b)(1) of § 1.83-7); or

(4) The transfer of property pursuant to the exercise of an option with a readily ascertainable fair market value at the date of grant.

However, section 83 does apply to a transfer to or from a trust or under an annuity plan for the benefit of a person (other than an employee) who performs services for the transferor.

(b) *Transitional rules*—(1) *In general*. Except as otherwise provided in this paragraph, section 83 and the regulations thereunder shall apply to property transferred after June 30, 1969.

(2) *Binding written contracts*. Section 83 and the regulations thereunder shall not apply to property transferred pursuant to binding written contract entered into before April 22, 1969. For purposes of this paragraph, a binding written contract means only a written contract under which the employee has an enforceable right to compel the transfer of property or to obtain damages upon the breach of such contract. A contract which provides that the individual's right to such property is contingent upon the happening of an event (including the passage of time) may satisfy the requirements of this paragraph. However, if the event itself, or the determination of whether the event has occurred, rests with the board of directors or any other individual or group acting on behalf of the employer (other than an arbitrator), the contract will not be treated as giving the employee an enforceable right for purposes of this paragraph. However, the binding nature of the contract will not be negated by a provision in such contract which allows the employee or independent contractor to terminate the contract for any year and receive cash instead of property if such election would cause a substantial penalty, such as a forfeiture of part or all of the property received in connection with the performance of services in an earlier year.

(3) *Options granted before April 22, 1969*. Section 83 shall not apply to property received upon the exercise of an option granted before April 22, 1969.

(4) *Certain written plans*. Section 83 shall not apply to property transferred (whether or not by the exercise of an option) before May 1, 1970, pursuant to a written plan adopted and approved before July 1, 1969. A plan is to be considered as having been adopted and approved before July 1, 1969, only if prior to such date the transferor of the property undertook an ascertainable course of conduct which under applicable State law does not require further approval by the board of directors or the stockholders of any corporation. For example, if a corporation transfers property to an employee in connection with the performance of services pursuant to a plan adopted and approved before July 1, 1969, by the board of directors of such corpora-

tion, it is not necessary that the stockholders have adopted or approved such plan if State law does not require such approval. However, such approval is necessary if required by the articles of incorporation or the bylaws or if, by its terms, such plan will not become effective without such approval.

(5) *Certain options granted pursuant to a binding written contract*. Section 83 shall not apply to property transferred before January 1, 1973, upon the exercise of an option granted pursuant to a binding written contract (as defined in subparagraph (2) of this paragraph) entered into before April 22, 1969, between a corporation and the transferor of such property requiring the transferor to grant options to employees of such corporation (or a subsidiary of such corporation) to purchase a determinable number of shares of stock of such corporation, but only if the transferee was an employee of such corporation (or a subsidiary of such corporation) on or before April 22, 1969.

(6) *Certain tax free exchanges*. Section 83 shall not apply to property transferred in exchange for (or pursuant to the exercise of a conversion privilege contained in) property transferred before July 1, 1969, or for property to which section 83 does not apply (by reason of paragraphs (1), (2), (3), or (4) of section 83(i), if section 354, 355, 356, or 1036 (or so much of section 1031 as relates to section 1036)) applies, or if gain or loss is not otherwise required to be recognized upon the exercise of such conversion privilege, and if the property received in such exchange is subject to restrictions and conditions substantially similar to those to which the property given in such exchange was subject.

PAR. 4. Section 1.162-9 is amended to read as follows:

§ 1.162-9 Bonuses to employees.

Bonuses to employees will constitute allowable deductions from gross income when such payments are made in good faith and as additional compensation for the services actually rendered by the employees, provided such payments when added to the stipulated salaries do not exceed a reasonable compensation. It is immaterial whether such bonuses are paid in cash or in property or partly in cash and partly in property. For the rules with respect to when compensation paid in property, and the amount, is included in the gross income of the employees and when it is deductible by employers, see section 83 and the regulations thereunder. Donations made to employees and others, which do not have in them elements of compensation or which are in excess of reasonable compensation for services are not deductible from gross income.

PAR. 5. Paragraph (c) of § 1.162-10 is amended to read as follows:

§ 1.162-10 Certain employee benefits.

* * * * *

(c) *Other plans providing deferred compensation*. For the rules relating to the deduction of amounts paid to or un-

der a stock bonus, pension, annuity, or profit sharing plan or amounts paid or accrued under any other plan deferring the receipt of compensation, see section 404 and the regulations thereunder. For the rules relating to the deduction for property transferred in connection with the performance of services, see section 83(h) and the regulations thereunder.

PAR. 6. Section 1.402(b) is amended to read as follows:

§ 1.402(b) Statutory provisions; taxability of beneficiary of employee's trust, nonexempt trust.

SEC. 402. *Taxability of beneficiary of employee's trust.* * * *

(b) *Taxability of beneficiary of non-exempt trust*. Contributions to an employee's trust made by an employer during a taxable year of the employer which ends within or with a taxable year of the trust for which the trust is not exempt from tax under section 501(a) shall be included in the gross income of the employee in accordance with section 83 (relating to property transferred in connection with the performance of services), except that the value of the employee's interest in such trust shall be substituted for the fair market value of the property for purposes of applying such section. The amount actually distributed or made available to any distributee by any such trust shall be taxable to him in the taxable year in which so distributed or made available, under section 72 (relating to annuities), except that distributions of such trust before the annuity starting date (as defined in section 72(c)(4)) shall be included in the gross income of the employee without regard to section 72(e)(1) (relating to amount not received as annuities). A beneficiary of any such trust shall not be considered as the owner of any portion of such trust under subpart E of Part I of subchapter J (relating to grantors and others treated as substantial owners).

(Sec. 402(b) as amended by sec. 232(e)(2), Rev. Act 1964 (78 Stat. 111) and sec. 321(b)(1), Tax Reform Act 1969 (83 Stat. 500))

PAR. 7. Section 1.402(b)-1 is amended to read as follows:

§ 1.402(b)-1 Treatment of beneficiary of trust not exempt under section 501(a).

(a) *Taxation by reason of employer contributions made after August 1, 1969*—(1) *Taxation of contributions*. Any contribution (other than a contribution described in paragraph (d)(1)(ii) of this section) made by an employer after August 1, 1969, on behalf of an employee to a trust during a taxable year of the employer which ends within or with a taxable year of the trust for which the trust is not exempt under section 501(a) shall be included as compensation in the gross income of the employee for his taxable year during which the contribution is made, but only to the extent to which the employee's interest in such contribution is vested at the time the contribution is made.

(2) *Meaning of vested*. An employee's beneficial interest in a contribution or premium is vested for purposes of sections 402(b), 403(c) and 404(a)(5) to the extent such employee's interest in such contribution or premium is transferable (as defined in paragraph (d) of § 1.83-3) or not subject to a substantial

risk of forfeiture (as defined in paragraph (c) of § 1.83-3).

(3) *Determination of amount of employer contributions.* If, for an employee, the actual amount of employer contributions (as defined in subparagraph (1) of this paragraph) for any taxable year are not known, such amount shall be either an amount equal to the excess of—

(i) The amount determined in accordance with the formula described in subparagraph (4) of § 1.403(b)-1(d) as of the end of such taxable year, over

(ii) The amount determined in accordance with the formula described in subparagraph (4) of § 1.403(b)-1(d) as of the end of the prior taxable year,

or the amount determined under any other method utilizing recognized actuarial principles which are consistent with the provisions of the plan under which such contributions are made and the method adopted by the employer for funding the benefits under the plan.

(b) *Taxability of employee when rights under nonexempt trust change from nonvested to vested.*—(1) *In general.* If rights of an employee under a trust during a taxable year of the employee (ending after August 1, 1969) which ends within or with a taxable year of the trust for which the trust is not exempt under section 501(a) change from nonvested to vested, the value of the employee's interest in the trust on the date of such change shall, to the extent provided in subparagraph (3) of this paragraph, be included in his gross income for the taxable year. If an employee's rights in a trust which is exempt under section 501(a) are fully vested at a time when such trust ceases to be so exempt, then such employee must include the value of his interest in such trust in his gross income as compensation for his taxable year which ends within or with the taxable year of the trust in which it ceases to be so exempt. However, in such a case the employer shall not be allowed a deduction for any amount previously deductible in any prior taxable year in respect of the employee's interest in the trust.

(2) *Value of an employee's interest in a trust.* (i) For purposes of this section, the term "the value of an employee's interest in a trust", means the amount of the employee's beneficial interest (whether or not vested) in the net fair market value of all the assets in such trust as of any day when such employee's interest in such trust changes from nonvested to vested. The net fair market value of all the assets in a trust is the total amount of the fair market values (determined without regard to any restriction other than a restriction which by its terms will never lapse) of all the assets in the trust less the amount of all the liabilities (including taxes) to which such assets are subject or which such trust has assumed (other than the rights of any employee in such assets), as of any day when an employee's interest in such trust changes from nonvested to vested.

(ii) If a separate account in a trust for the benefit of two or more employees

is not maintained for each employee, the value of an employee's interest in such trust shall be determined in accordance with the formula described in subparagraph (4) of § 1.403(b)-1(d).

(iii) If there is no valuation of a non-exempt trust's assets on the date of the change referred to in subparagraph (1) of this paragraph, the value of an employee's interest in such trust is determined by taking the weighted average of the means between the nearest valuation dates occurring before and after the date of such change. The average is to be weighted inversely by the respective number of days between the valuation dates and the date of such change. The average is to be determined in the manner described in paragraph (b) of § 20.2031-2 of this chapter (the Estate and Gift Tax Regulations).

(3) *Extent to which value of an employee's interest in trust is includable in employee's gross income.* For purposes of subparagraph (1) of this paragraph, there shall be included in the gross income of an employee for his taxable year in which his rights under an employee's trust change from nonvested to vested only an amount equal to the portion of the value of the employee's interest in such trust on the date of such change attributable to contributions made by the employer after August 1, 1969. However, the preceding sentence shall not apply—

(i) To the extent such value is attributable to a contribution made on the date of such change, and

(ii) To the extent such value is attributable to contributions described in paragraph (d) (1) (ii) of this section, relating to contributions made pursuant to a binding written contract entered into before April 22, 1969.

For purposes of this subparagraph, the value of an employee's interest in a trust which is attributable to contributions made by the employer after August 1, 1969, in an amount which bears the same ratio to the value of the employee's interest as the contributions made by the employer after such date bear to the total contributions made by the employer.

(4) *Partial vesting.* If, during any taxable year of an employee, only part of his rights under an employee's trust which is not exempt under section 501(a) changes from nonvested to vested, then only the corresponding part of the value of the employee's interest in such trust is includible in the employee's gross income for such taxable year. In such a case, it is first necessary to compute, under the rules in subparagraphs (1) and (2) of this paragraph the amount which would be includible in the employee's gross income for the taxable year if his interest had changed to a fully vested interest during such year. The amount which is includible in the gross income of the employee for the taxable year in which the change occurs is an amount equal to the amount determined under the preceding sentence multiplied by the percent of the employee's interest which changed to a vested interest during the taxable year.

(5) *Basis.* The basis of an employee's interest in a trust which is not exempt under section 501(a) shall be increased by the amount included in his gross income under this section.

(6) *Treatment as owner of trust.* A beneficiary of an employee's trust shall not be considered to be the owner under subpart E, part I, subchapter J, chapter 1 of the Code of any portion of such trust which is attributable to contributions to such trust made by the employer after August 1, 1969, or to incidental contributions made by the employee after such date. However, where contributions made by the employee are not incidental in relation to contributions made by the employer, such beneficiary shall, if the applicable requirements of such subpart E are satisfied, be considered to be the owner of the portion of the trust which is attributable to contributions made by the employee. For purposes of this subparagraph, contributions made by an employee are not incidental in relation to contributions made by his employer if the employee's total contributions as of any date exceed the employer's contributions as of such date.

(7) *Example.* The provisions in this paragraph may be illustrated by the following example:

Example. M corporation establishes an employee's trust which is not exempt under section 501(a) on January 1, 1968, for A, one of its employees, reserving the right to discontinue contributions at any time. M corporation contributes \$5,000 to the trust on February 1, 1968. At the time of contribution A's rights were 50 percent vested. On January 1, 1971, and January 1, 1974, M corporation makes additional \$5,000 contributions to the trust. A's interest in the trust changed from a 50 percent vested interest to a fully vested interest in the trust on December 31, 1974. The value of the employee's interest in the trust on December 31, 1974, which is attributable to employer contributions made after August 1, 1969, is calculated to be \$11,000 under subparagraph (3) of this paragraph. The amount includible in A's gross income for 1971 and 1974 is computed as follows:

1971

(i) Amount of M corporation's contribution made on January 1, 1971, to the trust which is includible in A's gross income under subparagraph (1) of this paragraph (50 percent vested interest in the trust times \$5,000 contribution) ----- \$2,500

1974

(i) Amount of M corporation's contribution made on January 1, 1974, to the trust which is includible in A's gross income under subparagraph (1) of this paragraph (50 percent vested interest in the trust times \$5,000 contribution) -- \$2,500

(ii) Amount which would have been includible if A's entire interest had changed to a vested interest (value of employee's interest in the trust attributable to employer contributions made after August 1, 1969) ----- \$11,000

(iii) Percent of A's interest that changed to vested interest on December 31, 1974 ----- 50%

- (iv) Amount includable in A's gross income for 1974 in respect of his percentage change from a non-vested to vested interest in the trust (50 percent of \$11,000) ----- \$5,500
- (v) Total amount includable in A's gross income for 1974 (i) plus (iv) ----- \$8,000

(c) Taxation of distributions from trust not exempt under section 501(a)—

(1) *In general.* Any amount actually distributed or made available to any distributee by an employees' trust which is not exempt under section 501(a) for the taxable year of the trust in which the distribution is made shall be taxable in the year in which so distributed or made available under section 72 (relating to annuities). For taxable years beginning before January 1, 1964, section 72(e) (3) (relating to the treatment of certain lump sums), as in effect before such date, shall not apply to such amounts. For taxable years beginning after December 31, 1963, such amounts may be taken into account in computations under sections 1301 through 1305 (relating to income averaging). If, for example, the distribution from such a trust consists of an annuity contract, the amount of the distribution shall be considered to be the entire value of the contract at the time of distribution, and such value is includible in the gross income of the distributee at the time of the distribution to the extent that such value exceeds the investment in the contract determined by applying sections 72 and 101(b). The distributions by such an employees' trust shall be taxed as provided in section 72 whether or not the employee's rights to the contributions were nonforfeitable (within the meaning of paragraph (d) (2) (i) of this section, relating generally to employer contributions made on or before August 1, 1969) or vested (within the meaning of paragraph (a) (1) of this section) when the contributions were made or at any time thereafter. For rules relating to the treatment of employer contributions to a nonexempt trust as part of the consideration paid by the employee, see section 72(f). For rules relating to the treatment of the limited exclusion allowable under section 101(b) (2) (D) as additional consideration paid by the employee, see the regulations under that section.

(2) *Distributions before annuity starting date.* Any amount distributed or made available to any distributee before the annuity starting date (as defined in section 72(c) (4)) by an employees' trust which is not exempt under section 501(a) for the taxable year of the trust in which the distribution is made shall be treated as being made in the following order—

(i) First, from the employee's non-vested interest in the trust but only to the extent that such a distribution is treated as such under the plan of which such trust is a part,

(ii) Second, from the portion of the employee's vested interest in the trust which has not been previously includible in his gross income, and

(iii) Third, from the portion of the employee's vested interest in the trust

which has been previously includible in his gross income.

(d) *Taxation by reason of employer contributions made on or before August 1, 1969.* (1) Except as provided in section 402(d), any contribution made by an employer on behalf of an employee—

(i) On or before August 1, 1969, or

(ii) After such date, if pursuant to a binding written contract (as defined in paragraph (b) (2) of § 1.83-8) entered into before April 22, 1969, or pursuant to a written plan in which the employee participated on such date and under which the obligation of the employer is essentially the same as under a binding written contract,

to a trust during a taxable year of the employer which ends within or with a taxable year of the trust for which the trust is not exempt under section 501(a) shall be included in income of the employee for his taxable year during which the contribution is made if the employee's beneficial interest in the contribution is nonforfeitable at the time the contribution is made. If the employee's beneficial interest in the contribution is forfeitable at the time the contribution is made, even though his interest becomes nonforfeitable later the amount of such contribution is not required to be included in the income of the employee at the time his interest becomes nonforfeitable.

(2) (i) An employee's beneficial interest in the contribution is nonforfeitable within the meaning of sections 402(b), 403(c), and 404(a) (5) prior to the amendments made thereto by the Tax Reform Act of 1969 and section 403(b) at the time the contribution is made if there is no contingency under the plan which may cause the employee to lose his rights in the contribution. Similarly, an employee's rights under an annuity contract purchased for him by his employer change from forfeitable to nonforfeitable rights within the meaning of section 403(d) prior to the repeal thereof by the Tax Reform Act of 1969 at that time when, for the first time, there is no contingency which may cause the employee to lose his rights under the contract. For example, if under the terms of a pension plan, an employee upon termination of his services before the retirement date, whether voluntarily or involuntarily, is entitled to a deferred annuity contract to be purchased with the employer's contributions made on his behalf, or is entitled to annuity payments which the trustee is obligated to make under the terms of the trust instrument based on the contributions made by the employer on his behalf, the employee's beneficial interest in such contributions is nonforfeitable.

(ii) On the other hand, if, under the terms of a pension plan, an employee will lose the right to any annuity purchased from, or to be provided by, contributions made by the employer if his services should be terminated before retirement, his beneficial interest in such contributions is forfeitable.

(iii) The mere fact that an employee may not live to the retirement date, or

may live only a short period after the retirement date, and may not be able to enjoy the receipt of annuity or pension payments, does not make his beneficial interest in the contributions made by the employer on his behalf forfeitable. If the employer's contributions have been irrevocably applied to purchase an annuity for the employee provided only the trustee is obligated to use the employer's contributions to provide an annuity for the employee provided only that the employee is alive on the dates the annuity payments are due, the employee's rights in the employer's contributions are nonforfeitable.

PAR. 8. Section 1.403(c) is amended to read as follows:

§ 1.403(c) Statutory provisions; taxation of employee annuities, taxability if beneficiary under nonqualified annuity.

SEC. 403. *Taxation of employee annuities.* * * *

(c) *Taxability of beneficiary under non-qualified annuities or under annuities purchased by exempt organization.* Premiums paid by an employer for an annuity contract which is not subject to subsection (a) shall be included in the gross income of the employee in accordance with section 83 (relating to property transferred in connection with performance of services), except that the value of such contract shall be substituted for the fair market value of the property for purposes of applying such section. The preceding sentence shall not apply to that portion of the premiums paid which is excluded from gross income under subsection (b). The amount actually paid or made available to any beneficiary under such contract shall be taxable to him in the year in which so paid or made available under section 72 (relating to annuities).

[Sec. 403(c) as relettered by sec. 23(a) Technical Amendments Act 1958 (72 Stat. 1620), as amended by sec. 232(e) (6), Rev. Act 1964 (78 Stat. 111) and as amended by sec. 321 (b) (2) of the Tax Reform Act of 1969 (83 Stat. 571)]

PAR. 9. Section 1.403(c)-1 is amended to read as follows:

§ 1.403(c)-1 Taxability of beneficiary under a nonqualified annuity.

(a) *Taxability of vested interest in premiums.* If an employer (whether or not exempt under section 501(a) or 521 (a)) purchases an annuity contract (other than an annuity contract described in paragraph (d) (1) (ii) of this section), and if the premiums paid for the contract after August 1, 1969, are not subject to paragraph (a) of § 1.403 (a)-1 the amount of such premiums shall, to the extent it is not excludible under paragraph (b) of § 1.403(b)-1, be included as compensation in the gross income of the employee for the taxable year during which such premiums are paid, but only to the extent to which the employee's rights in such premiums are vested at the time the premiums are paid. As to what constitutes vested rights, see paragraph (a) (2) of § 1.402 (b)-1. If an employer has purchased annuity contracts and transferred them to a trust for the purpose of providing annuity contracts for his employee, the amount so paid or contributed shall be

treated as a contribution to a trust described in section 402(b). For the rules relating to the taxation of the cost of life insurance protection and the proceeds thereunder, see § 1.72-16.

(b) *Taxability of employee when rights under annuity contract change from nonvested to vested*—(1) *In general.* If, during a taxable year of an employee ending after August 1, 1969, the rights of such employee under an annuity contract purchased for him by an employer (whether or not exempt under section 501(a) or 521(a)) change from nonvested to vested, the value of the annuity contract on the date of such change shall, to the extent provided in subparagraph (2) of this paragraph, be included in the employee's gross income for such taxable year. The preceding sentence shall not apply, however, to an annuity contract purchased and held as part of a plan which met at the time of such purchase and continues to meet the requirements of section 404(a)(2) or an annuity contract described in paragraph (d)(1)(ii) of this section. For purposes of this section, the value of an annuity contract on the date the employee's rights change from nonvested to vested means the cash surrender value of such contract on such date.

(2) *Extent to which value of annuity contract is includible in employee's gross income.* For purposes of subparagraph (1) of this paragraph, there shall be included in the gross income of an employee for his taxable year in which his rights under an annuity contract change from nonvested to vested only an amount equal to the portion of the value of such contract on the date of such change attributable to premiums which were paid after August 1, 1969, and which are not excludible from the employee's gross income under paragraph (b) of § 1.403(b)-1. However, the preceding sentence shall not apply—

(i) To the extent such value is attributable to a premium paid on the date of such change, and

(ii) To the extent such value is attributable to premiums described in paragraph (d)(1)(ii) of this section, relating to premiums paid pursuant to a binding written contract entered into before April 22, 1969.

The value of such an annuity contract is not includible in the gross income of the employee for the year in which the change occurs to the extent that it is excludible under paragraph (b) of § 1.403(b)-1. See paragraph (b)(2) of § 1.403(b)-1 which provides that the amount otherwise includible in gross income under section 403(c) is considered to be a contribution by the employer for purposes of the exclusion provided in paragraph (b) of § 1.403(b)-1.

(3) *Partial vesting.* If, during any taxable year of an employee, only part of his beneficial interest in an annuity contract changes from a nonvested to a vested interest, then only the corresponding part of the value of the annuity contract on the date of such change is includible in the employee's gross in-

come for such taxable year. In such a case, it is first necessary to compute, under the rules in subparagraphs (1) and (2) of this paragraph but without regard to any exclusion allowable under paragraph (b) of § 1.403(b)-1, the amount which would be includible in the employee's gross income for the taxable year if his entire beneficial interest in the annuity contract had changed to a vested interest during such year. The amount that is includible (without regard to any exclusion allowed by paragraph (b) of § 1.403(b)-1) in the gross income of the employee for the taxable year in which the change occurs is an amount equal to the amount determined under the preceding sentence multiplied by the percent of the employee's beneficial interest which changed to a vested interest during the taxable year. If at the time the employee's interest changes to a vested interest, the employer is an organization described in section 501(c)(3) and exempt from tax under section 501(a), then the amount that is includible in the employee's gross income under this subparagraph is considered as an employer contribution to which the exclusion provided in paragraph (b) of § 1.403(b)-1 applies (see paragraph (b)(2) of § 1.403(b)-1).

(c) *Amounts received or made available under an annuity contract.* The amounts received by or made available to the employee under an annuity contract shall be included in the gross income of the employee for the taxable year in which received or made available, as provided in section 72 (relating to annuities). Such amounts may be taken into account in computations under sections 1301 through 1305 (relating to income averaging). For rules relating to the treatment of employer contributions as part of the consideration paid by the employee, see section 72(f). See also section 101(b)(2)(D) for rules relating to the treatment of the limited exclusion provided thereunder as part of the consideration paid by the employee.

(d) *Taxability of beneficiary under a nonqualified annuity on or before August 1, 1969.* (1) Except as provided in section 402(d), if an employer purchases an annuity contract and if the amounts paid for the contract—

(i) On or before August 1, 1969, or

(ii) After such date, if pursuant to a binding written contract (as defined in paragraph (b)(2) of § 1.83-8) entered into before April 22, 1969, or pursuant to a written plan in which the employee participated on such date and under which the obligation of the employer is essentially the same as under a binding written contract.

are not subject to paragraph (a) of § 1.403(a)-1 or paragraph (a) of § 1.403(b)-1, the amount of such contribution shall, to the extent it is not excludable under paragraph (b) of § 1.403(b)-1, be included in the income of the employee for the taxable year during which such contribution is made if, at the time the contribution is made, the employee's rights under the annuity contract are

nonforfeitable, except for failure to pay future premiums. If the annuity contract was purchased by an employer which is not exempt from tax under section 501(a) or section 521(a), and if the employee's rights under the annuity contract in such a case were forfeitable at the time the employer's contribution was made for the annuity contract, even though they became nonforfeitable later the amount of such contribution is not required to be included in the income of the employee at the time his rights under the contract become nonforfeitable. On the other hand, if the annuity contract is purchased by an employer which is exempt from tax under section 501(a) or section 521(a), all or part of the value of the contract may be includable in his employee's gross income at the time his rights under the contract become nonforfeitable (see section 403(d) prior to the repeal thereof by the Tax Reform Act of 1969 and the regulations thereunder). As to what constitutes nonforfeitable rights of an employee, see § 1.402(b)-1(d)(2). The amounts received by or made available to the employee under the annuity contract shall be included in the gross income of the employee for the taxable year in which received or made available, as provided in section 72 (relating to annuities). For taxable years beginning before January 1, 1964, section 72(e)(3) (relating to the treatment of certain lump sums), as in effect before such date, shall not apply to such amounts. For taxable years beginning after December 31, 1963, such amounts may be taken into account in computations under sections 1301 through 1305 (relating to income averaging). For rules relating to the treatment of employer contributions as part of the consideration paid by the employee, see section 72(f). See also section 101(b)(2)(D) for rules relating to the treatment of the limited exclusion provided thereunder as part of the consideration paid by the employee.

(2) If an employer has purchased annuity contracts and transferred them to a trust, or if an employer has made contributions to a trust for the purpose of providing annuity contracts for his employees as provided in section 402(d) (see paragraph (a) of § 1.402(d)-1), the amount so paid or contributed is not required to be included in the income of the employee, but any amount received by or made available to the employee under the annuity contract shall be includible in the gross income of the employee for the taxable year in which received or made available, as provided in section 72 (relating to annuities). For taxable years beginning before January 1, 1964, section 72(e)(3) (relating to the treatment of certain lump sums), as in effect before such date, shall not apply to any amount received by or made available to the employee under the annuity contract. For taxable years beginning after December 31, 1963, amounts received by or made available to the employee under the annuity contract may be taken into account in computations under sections 1301 through 1305 (relating to income

averaging). In such case the amount paid or contributed by the employer shall not constitute consideration paid by the employees for such annuity contract in determining the amount of annuity payments required to be included in his gross income under section 72 unless the employee has paid income tax for any taxable year beginning before January 1, 1949, with respect to such payment or contribution by the employer for such year and such tax is not credited or refunded to the employee. In the event such tax has been paid and not credited or refunded the amount paid or contributed by the employer for such year shall constitute consideration paid by the employee for the annuity contract in determining the amount of the annuity required to be included in the income of the employee under section 72.

(3) For taxable years beginning before January 1, 1958, the provisions contained in section 403(c) prior to the amendment made thereto by the Tax Reform Act of 1969, were included in section 403 (b) of the Internal Revenue Code of 1954. Therefore, the regulations contained in this paragraph shall, for such taxable years, be considered as the regulations under section 403(b) as in effect for such taxable years. For the rules with respect to contributions paid after August 1, 1969, see paragraphs (a), (b), and (c) of this section.

PAR. 10. Section 1.403(d) is amended by revising the historical note to read as follows:

§ 1.403(d) Statutory provisions; taxation of employee annuities; taxability of beneficiary under certain forfeitable contracts furnished by exempt organizations.

(Sec. 403(d) as added by sec. 23(c), Technical Amendments Act of 1958 (72 Stat. 1622) and repealed by sec. 321(b)(2) of the Tax Reform Act of 1969 (83 Stat. 571))

PAR. 11. Section 1.403(d)-1 is amended by revising paragraphs (a) and (c) (2) and adding paragraph (d) to read as follows:

§ 1.403(d)-1 Taxability of employee when rights under contracts purchased by exempt organizations change from forfeitable to nonforfeitable.

(a) *In general.* If, during a taxable year of an employee beginning after December 31, 1957, the rights of such employee under an annuity contract (other than an annuity contract purchased and held as part of a plan which met at the time of such purchase and continues to meet the requirements of section 404(a)(2) or an annuity contract described in paragraph (d)(2) of this section) purchased for him by an employer which is exempt from tax under section 501(a) or 521(a) change from forfeitable to nonforfeitable rights (except if paragraph (b) of § 1.403(c)-1 applied), then the value of such annuity contract on the date of such change shall, to the extent provided in paragraph (b) of this section, be included in the employee's gross income for such

taxable year. For purposes of this section, the value of an annuity contract on the date the employee's rights change from forfeitable to nonforfeitable rights means the cash surrender value of such contract on such date. As to what constitutes nonforfeitable rights of an employee, see § 1.402(b)-1(d)(2).

(c) *Partial vesting.* * * *

(2) *Example.* The provisions in subparagraph (1) of this paragraph may be illustrated by the following example:

Example. X Organization purchased an annuity contract for A, one of its employees who reports his income on a calendar year basis. X contributed one-third of the amount necessary to purchase the contract before January 1, 1958, and the remaining two-third after December 31, 1957. At the time of the contributions, X was an organization exempt from tax under section 501(a) and A's rights under the contract were forfeitable. The annuity contract was not purchased as part of a qualified plan and A made no contributions toward the purchase of the contract. On December 31, 1965, 50 percent of A's interest in the contract changed from a forfeitable to a nonforfeitable interest, and on December 31, 1968, the remaining 50 percent of A's interest in the contract changed to a nonforfeitable interest. The cash surrender value of the contract was \$9,900 on December 31, 1965, and \$12,000 on December 31, 1968. The amount includible in A's gross income for 1965 and 1968 is computed as follows—

1965

- | | |
|--|---------|
| (i) Amount which would have been includible if A's entire interest had changed to a nonforfeitable interest (cash surrender value of contract on December 31, 1965, attributable to contributions made after December 31, 1957) $\frac{2}{3} \times \$9,900$ | \$6,600 |
| (ii) Percent of A's interest that changed to a nonforfeitable interest on December 31, 1965..... | 50% |
| (iii) Amount includible in A's gross income for 1965 (ii) \times (i)..... | \$3,300 |

1968

- | | |
|--|---------|
| (iv) Amount which would have been includible if A's entire interest had changed to a nonforfeitable interest (cash surrender value of contract on December 31, 1968, attributable to contributions made after December 31, 1957) $\frac{2}{3} \times \$12,000$ | \$8,000 |
| (v) Percent of A's interest that changed to a nonforfeitable interest on December 31, 1968..... | 50% |
| (vi) Amount includible in A's gross income for 1968 ((v) \times (iv))..... | \$4,000 |

If, on December 31, 1965, X is an organization described in section 501(c)(3) and exempt from tax under section 501(a), then only so much of the \$3,300 as is not excludable under paragraph (b) of § 1.403(b)-1 is includible in A's gross income for 1965. Similarly, if, on December 31, 1968, X is an organization described in section 501(c)(3) and exempt from tax under section 501(a), then only so much of the \$4,000 as is not excludable under paragraph (b) of § 1.403(b)-1 is includible in A's gross income for 1968.

(d) *Effective date.* The provisions of section 403(d), repealed by section 321 (b) of the Tax Reform Act of 1969 (83 Stat. 571), applied for taxable years beginning after December 31, 1957, only with respect to premiums paid for an annuity contract—

(1) On or before August 1, 1969, or

(2) After such date, if pursuant to a binding written contract (as defined in paragraph (b)(2) of § 1.83-8) entered into before April 22, 1969, or pursuant to a written plan in which the employee participated on such date and under which the obligation of the employer is essentially the same as under a binding written contract.

For the rules with respect to premiums paid after August 1, 1969, under an annuity contract (other than an annuity contract purchased and held as part of a plan which met at the time of such purchase and continues to meet the requirements of section 404(a)(2) or an annuity contract described in subparagraph (2) of this paragraph), purchased for an employee by an employer which is exempt from tax under section 501(a) or 521(a), see section 403(c) and the regulations thereunder.

PAR. 12. Paragraph (5) of § 1.404(a) is amended to read as follows:

§ 1.404(a) Statutory; deductions for contributions of an employee's trust or annuity plan and compensation under a deferred-payment plan; general rule.

Sec. 404. Deduction for contribution of an employer to an employee's trust or annuity plan and compensation under a deferred-payment plan—(a) General rule. * * *

(5) *Other plans.* If the plan is not one included in paragraph (1), (2), or (3), in the taxable year in which an amount attributable to the contribution is includible in the gross income of employees participating in the plan, but, in the case of a plan in which more than one employee participates only if separate accounts are maintained for each employee.

(Sec. 404(a) as amended by sec. 24, Technical Amendments Act 1958 (72 Stat. 1033); sec. 3, Self-Employed Individuals Tax Retirement Act 1962 (76 Stat. 819); sec. 2(b), Act of Oct. 23, 1962 (Public Law 87-863, 76 Stat. 1141); sec. 321(b)(3), Tax Reform Act 1969 (83 Stat. 591)]

PAR. 13. Section 1.404(a)-12 is amended to read as follows:

§ 1.404(a)-12 Contributions of an employer under a plan that does not meet the requirements of section 401(a); application of section 404(a)(5).

(a) *In general.* Section 404(a)(5) covers all cases for which deductions are allowable under section 404(a) but not allowable under paragraph (1), (2), (3), (4), or (7) of such section.

(b) *Contributions or payments made or accrued after August 1, 1969—(1) In general.* No deduction is allowable under section 404(a)(5) for any contribution paid or accrued after August 1, 1969, by an employer under a stock bonus, pension, profit-sharing, or annuity plan or for any compensation paid or accrued on account of any employee under a plan deferring the receipt of such compensation except in the taxable year in which an amount attributable to such contribution is includible as compensation in the

gross income of the employees participating in the plan, and then only to the extent allowable under section 404(a). See § 1.404(a)-1. A deduction is allowable under section 404(a) (5) even though the employee or his beneficiary excludes any part of a contribution or payment from his gross income under section 101(b) or subchapter N.

(2) *Special rule for unfunded pensions and certain death benefits.* If unfunded pensions are paid directly to former employees, such payments are includible in their gross income when paid, and accordingly, such amounts are deductible under section 404(a) (5) when paid. Similarly, if amounts are paid as a death benefit to the beneficiaries of an employee (for example, by continuing his salary for a reasonable period), and if such amounts meet the requirements of section 162 or 212, such amounts are deductible under section 404(a) (5) in any case when they are not deductible under the other paragraphs of section 404(a).

(3) *Separate accounts for plans with more than one employee.* In the case of a plan under which more than one employee participates no deduction is allowable under section 404(a) (5) with respect to any contribution meeting the requirements of subparagraph (1) of this paragraph unless separate accounts are maintained for each employee. This requirement does not apply to unfunded pensions. In addition, the requirement of separation is deemed satisfied even if separate trusts are not maintained under the plan, but only if the trust instrument provides for the allocation of each contribution made to the trust to each employee participating in the plan. If an amount is contributed during the taxable year to a trust or under a plan where separate accounts are not maintained for each employee, no deduction is allowed for such amount for any taxable year. For the rules with respect to the taxability of an employee when rights under a nonexempt trust change from nonvested to vested, see paragraph (b) of § 1.402(b)-1.

(c) *Contributions paid or accrued on or before August 1, 1969.* No deduction is allowable under section 404(a) (5) for any contribution paid or accrued on or before August 1, 1969, by an employer under a stock bonus, pension, profit-sharing, or annuity plan, or for any compensation paid or accrued on account of any employee under a plan deferring the receipt of such compensation except in the year when paid, and then only to the extent allowable under section 404(a). See § 1.404(a)-1. If payments are made under such a plan and the amounts are not deductible under the other paragraphs of section 404(a), they are deductible under paragraph (5) of such subsection to the extent that the rights of individual employees to, or derived from, such employer's contribution or such compensation are nonforfeitable at the time the contribution or compensation is paid. If unfunded pensions are paid directly to former employees, their

rights to such payments are nonforfeitable, and accordingly, such amounts are deductible under section 404(a) (5) when paid. Similarly, if amounts are paid as a death benefit to the beneficiaries of an employee (for example, by continuing his salary for a reasonable period), and if such amounts meet the requirements of section 162 or 212, such amounts are deductible under section 404(a) (5) in any case where they are not deductible under the other paragraphs of section 404(a). As to what constitutes nonforfeitable rights of an employee in other cases, see § 1.402(b)-1 (d) (2). If an amount is accrued but not paid during the taxable year, no deduction is allowed for such amount for such year.

PAR. 14. Paragraph (a) (2) of § 1.421-6 is amended to read as follows:

§ 1.421-6 Options to which section 421 does not apply.

(a) *Scope of section.* . . .

(2) This section is applicable to options granted on or after February 26, 1945, and before July 1, 1969 (except to the extent that paragraph (b) of § 1.83-8 applies), except that this section is not applicable to—

(i) Property transferred pursuant to an option exercised before September 25, 1959, if the property is transferred subject to a restriction which has a significant effect on its value, or

(ii) Property transferred pursuant to an option granted before September 25, 1959, and exercised on or after such date, if, under the terms of the contract granting such option, the property to be transferred upon the exercise of the option is to be subject to a restriction which has a significant effect on its value and if such property is actually transferred subject to such restriction. However, if an option granted before September 25, 1959, and on or after February 26, 1945, is sold or otherwise disposed of before exercise, the provisions of this section shall be fully applicable to such disposition.

PAR. 15. Paragraph (b) (1) of § 1.721-1 is amended to read as follows:

§ 1.721-1 Nonrecognition of gain or loss on contributions.

(b) (1) Normally, under local law, each partner is entitled to be repaid his contributions of money or other property to the partnership (at the value placed upon such property by the partnership at the time of the contribution) whether made at the formation of the partnership or subsequent thereto. To the extent that any of the partners gives up any part of his right to be repaid his contributions (as distinguished from a share in partnership profits) in favor of another partner as compensation (or in satisfaction of an obligation), section 721 does not apply. The transfer of such a partnership interest transferred to a partner as compensation constitutes income to the partner as follows:

(i) If the partnership interest is transferred after June 30, 1969 (except to the extent paragraph (b) of § 1.83-8 applies), then the transfer of such interest in partnership capital shall be treated as a transfer of property to which section 83 and the regulations thereunder applies.

(ii) If the partnership interest is transferred on or before June 30, 1969, then the value of the interest in such partnership capital so transferred to a partner as compensation for services shall constitute income to the partner under section 61. The amount of such income is the fair market value of the interest in capital so transferred, either at the time the transfer is made for past services, or at the time the services have been rendered where the transfer is conditioned on the completion of the transferee's future services. The time when such income is realized depends on all the facts and circumstances, including any substantial restrictions or conditions on the compensated partner's right to withdraw or otherwise dispose of such interest. To the extent that an interest in capital representing compensation for services rendered by the decedent prior to his death is transferred after his death to the decedent's successor in interest, the fair market value of such interest is an item of income in respect of a decedent under section 691.

[FR Doc. 71-7510 Filed 6-2-71; 8:45 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[33 CFR Part 117.1]

[CGFR 71-47]

NORTH RIVER, MASS.

Drawbridge Operation

The Coast Guard is considering revising the regulations for the Massachusetts State 3A bridge across the North River, to allow the draw to be maintained in the closed position. The reason for this consideration is the infrequent openings for the passage of vessels (41 over the past 6 years).

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commander, First Coast Guard District, J. F. Kennedy Federal Building, Government Center, Boston, Mass. 02203. Each person submitting comments should include his name and address, identifying the bridge, and give reasons for any recommended change in the proposal. Copies of all written communications received will be available for examination by interested persons at the office of the Commander, First Coast Guard District.

The Commander, First Coast Guard District, will forward any comments received before July 9, 1971, with his recommendations to the Chief, Office of

Operations, who will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

Accordingly, it is proposed that Part 117 of 33 CFR be amended by revising § 117.77 to read as follows:

§ 117.77 North River, Massachusetts Route 3A bridge.

The draw need not open for the passage of vessels.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g) (2), 80 Stat. 937; 33 U.S.C. 499, 49 U.S.C. 1655(g) (2); 49 CFR 1.46(c) (5) (35 F.R. 4959), 33 CFR 1.05-1(c) (4) (35 F.R. 15922))

Dated: May 28, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Operations.

[FR Doc.71-7720 Filed 6-2-71; 8:52 am]

[33 CFR Part 117]

[CGFR 71-49]

SOUTH RIVER, MD.

Drawbridge Operation

The Coast Guard is considering amending the regulations for the Maryland Route 2 drawbridge across South River at Edgewater, Md., to allow the draw to remain closed from April 1 through November 30, Monday through Friday, except holidays, from 7:30 a.m. to 9 a.m. and 4:30 p.m. to 6 p.m. The proposal would add these closed periods to the present regulations set forth in § 117.245(f) (10). The increased flow of vehicular traffic during this period is the reason for this consideration.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commander, Fifth Coast Guard District, Federal Building, 431 Crawford Street, Portsmouth, VA 23705. Each person submitting comments should include his name and address, identifying the bridge, and give reasons for any recommended change in the proposal. Copies of all written communications received will be available for examination by interested persons at the office of the Commander, Fifth Coast Guard District.

The Commander, Fifth Coast Guard District, will forward any comments received before July 9, 1971, with his recommendations to the Chief, Office of Operations, who will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

Accordingly, it is proposed that Part 117 be amended by revising § 117.245 (f) (10) to read as follows:

§ 117.245 Navigable waters' discharging into the Atlantic Ocean south of and including Chesapeake Bay and into the Gulf of Mexico, except the Mississippi River and its tributaries and outlets; bridges where constant attendance of draw tenders is not required.

* * * * *

(f) * * *
(10) *South River, Md., Md. Route 2 bridge at Edgewater.* From April 1 through November 30, the draw shall open on signal, except that from 7:30 a.m. to 9 a.m. and from 4:30 p.m. to 6 p.m., Monday through Friday, except holidays, the draw need not open for the passage of vessels. From December 1 through March 31, from 10 a.m. Monday through 7:30 p.m. Friday, the draw shall open promptly on signal if at least 3 hours notice has been given from 7 a.m. to 4:30 p.m. Monday through Friday. From 7:30 p.m. Friday through 10 a.m. Monday the draw shall open on signal if notice has been given from 7 a.m. to 4:30 p.m., Monday through Friday.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g) (2), 80 Stat. 937; 33 U.S.C. 499, 49 U.S.C. 1655(g) (2); 49 CFR 1.46(c) (5) (35 F.R. 4959), 33 CFR 1.05-1(c) (4) (35 F.R. 15922))

Dated: May 28, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Operations.

[FR Doc.71-7722 Filed 6-2-71; 8:52 am]

[33 CFR Part 117]

[CGFR 70-144]

OKLAWAHA RIVER, FLA.

Drawbridge Operation

The Coast Guard is considering amending the regulations for drawbridges across the Oklawaha River to include the Marion County drawbridge near Sharpes Ferry and the Norris Cattle Co. drawbridge near Muclan Farms, Ocala. These two bridges are presently required to open on signal at all times. All other drawbridges across the Oklawaha River are required to open on signal from 7 a.m. to 7 p.m., and from 7 p.m. to 7 a.m. after at least 3 hours' notice. This change is being considered because of the infrequent openings required for the Marion County and Norris Cattle Co. bridges from 7 p.m. to 7 a.m.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commander, Seventh Coast Guard District, Room 1018, Federal Building, 51 Southwest First Avenue, Miami, FL 33130. Each person submitting comments should include his name and address, identifying the bridge, and give

reasons for any recommended change in the proposal. Copies of all written communications received will be available for examination by interested persons at the office of the Commander, Seventh Coast Guard District.

The Commander, Seventh Coast Guard District, will forward any comments received before July 9, 1971, with his recommendations to the Chief, Office of Operations, who will evaluate all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

Accordingly, it is proposed to amend Part 117 of Title 33 by revising the heading and paragraphs (a) and (c) of § 117.434 to read as follows:

§ 117.434 Oklawaha River, Haines Creek and Dead River, Fla.

(a) Bridges across Oklawaha River and Haines Creek. From 7 a.m. to 7 p.m. the draws shall open on signal. From 7 p.m. to 7 a.m. the draws shall open on signal if at least 3 hours' notice has been given.

* * * * *

(c) The owner of or agency controlling a bridge in this section shall post the procedures for giving notice to open the draw from 7 p.m. to 7 a.m. on both the upstream and downstream sides of the bridge, in such a manner that they can be read at any time from an approaching vessel.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g) (2), 80 Stat. 937; 33 U.S.C. 499, 49 U.S.C. 1655(g) (2); 49 CFR 1.46(c) (5) (35 F.R. 4959), 33 CFR 1.05-1(c) (4) (35 F.R. 15922))

Dated: May 28, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Operations.

[FR Doc.71-7721 Filed 6-2-71; 8:52 am]

[33 CFR Part 117]

[CGFR 71-48]

DODGE ISLAND, BISCAYNE BAY, FLA.

Drawbridge Operation

The Coast Guard is considering amending the regulations for the drawbridges across Biscayne Bay from Miami to the west side of the Port of Miami on Dodge Island to allow the draws to remain closed to marine traffic from 7:30 a.m. to 9 a.m., 11:30 a.m. to 1:30 p.m., and 4:30 p.m. to 6 p.m. Monday through Saturday, excluding legal holidays, except on the quarter-hour and three-quarter hour when the draws shall open to allow vessels to pass. Public vessels of the United States, commercial tows, regularly scheduled cruise boats and vessels in distress shall be passed at any time.

Present regulations require that the draws of these bridges open on signal. This proposal is made in an effort to alleviate vehicular congestions.

Interested persons may participate in this proposed rule making by submitting written data, views, or arguments to the Commander, Seventh Coast Guard District, Room 1018 Federal Building, 51 Southwest First Avenue, Miami, FL 33130. Each person submitting comments should include his name and address, identify the bridge, and give reasons for any recommended change in the proposal. Copies of all written communications received will be available for examination by interested persons at the office of the Commander, Seventh Coast Guard District.

The Commander, Seventh Coast Guard District, will forward any comments received before July 9, 1971, with his recommendations, to the Chief, Office of Operations, who will consider the proposal and all communications received and take final action on this proposal. The proposed regulations may be changed in the light of comments received.

Accordingly, it is proposed that Part 117 be amended by adding § 117.446f to read as follows:

§ 117.446f Dodge Island bridges.

(a) Except as provided in paragraphs (b) and (c) of this section the draws shall open on signal for the passage of vessels.

(b) From 7:30 a.m. to 9 a.m., 11:30 a.m. to 1:30 p.m., and 4:30 p.m. to 6 p.m., Monday through Saturday except legal holidays, the draws need open only on the quarter- and three-quarter hour.

(c) The draws shall open on four blasts of a whistle at any time for the passage of public vessels of the United States, commercial tows, regularly scheduled cruise boats, or vessels in distress.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g) (2), 80 Stat. 937; 33 U.S.C. 499, 49 U.S.C. 1655(g) (2); 49 CFR 1.46(c) (5) (35 F.R. 4959), 33 CFR 1.05-1(c) (4) (35 F.R. 15922))

Dated: May 28, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Operations.

[FR Doc.71-7719 Filed 6-2-71;8:51 am]

Federal Aviation Administration

[14 CFR Part 39]

[Docket No. 71-CE-13-AD]

CESSNA 150, 172, 175, AND 182 AIRPLANES

Proposed Airworthiness Directive

The Federal Aviation Administration is considering amending Part 39 of the Federal Aviation Regulations by adding an Airworthiness Directive applicable to Cessna Models 150, 172, 175, and 182 airplanes. There have been an increasing number of reports of nose gear fork failures on these model airplanes caused

by severe nose wheel shimmy and/or hard landings. This situation results in extensive damage to the airframe structure and exposes the occupants to an unnecessary risk. Agency investigation of this problem discloses that failures of the nose gear unit occur between 1,000 and 2,300 hours' time in service.

In order to prevent this condition an AD is being proposed requiring repetitive inspections of early type nose gear forks which have accumulated 1,000 hours' time in service and the retirement thereof upon reaching 1,500 hours' time in service. Airplanes with nose gear fork P/N 0442503-497, 0543043-497, or 0543043-498 installed will not be affected by this AD.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Docket Number and be submitted in duplicate to the Director, Central Region, Attention: Regional Counsel, Airworthiness Rules Docket, 601 East 12th Street, Kansas City, MO 64106. All communications received within 30 days after publication of the notice in the FEDERAL REGISTER will be considered before action is taken upon the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments will be available, both before and after the closing date for comments, in the Airworthiness Rules Docket for examination by interested persons.

In consideration of the foregoing, it is proposed to amend § 39.13 of Part 39 of the Federal Aviation Regulations by adding the following new AD.

CESSNA. Applies to Models 150, 172, 175, and 182 airplanes with 1,000 or more hours' time in service with earlier type nose gear fork installed but does not include the above model airplanes with nose gear fork bearing P/Ns 0442503-497, 0543043-497, or 0543043-498 installed.

Compliance: Required as indicated, unless already accomplished.

To decrease the possibility of failure of the nose gear structure:

(A) On or before September 1, 1971, and thereafter at intervals not to exceed 100 hours' time in service from the date of the previous inspection, or at any time following severe nose wheel shimmy and/or hard landings, inspect the nose gear fork for cracks in the radius of the milled section of the nose gear strut attachment bolt using the dye penetrant inspection or equivalent non-destructive inspection method.

(B) If cracks are found during the inspections required by paragraph A, before further flight, replace the affected part with applicable nose gear fork P/N 0442503-497, 0543043-497, or 0543043-498.

(C) Upon accumulation of 1,500 hours' total time in service replace earlier type forks with applicable nose gear fork P/N 0442503-497, 0543043-497, or 0543043-498.

(D) Upon incorporation of the applicable nose gear fork P/N 0442503-497, 0543043-497, or 0543043-498, compliance with the provisions of paragraph A are no longer required.

Cessna Service Letter 63-31 dated July 16, 1963, pertains to this same subject.

This amendment is proposed under the authority of sections 313(a), 601 and 603

of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, and 1423), and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Kansas City, Mo., on May 19, 1971.

DANIEL E. BARROW,
Acting Director, Central Region.

[FR Doc.71-7690 Filed 6-2-71;8:49 am]

[14 CFR Part 47]

[Docket No. 11113; Notice 71-17]

AVAILABILITY OF ONE TO THREE SYMBOL AIRCRAFT IDENTIFICATION NUMBERS

Notice of Proposed Rule Making

The Federal Aviation Administration is considering amending Part 47 of the Federal Aviation Regulations to remove the regulatory restrictions on the assignment and reservation of one to three symbol aircraft identification numbers.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should identify the regulatory docket or notice number and be submitted in duplicate to: Federal Aviation Administration, Office of the General Counsel, Attention: Rules Docket, GC-24, 800 Independence Avenue SW., Washington, DC 20590. All communications received on or before July 5, 1971, will be considered by the Administrator before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

Section 47.15(d) provides, in part, that each United States aircraft identification number (registration mark) of one to three symbols is reserved for an FAA owned aircraft, or for an aircraft that cannot accommodate a larger number. In the latter case, under paragraph (e) of this section an applicant for a one to three symbol number must submit with his application a statement of an FAA inspector that the structural configuration or design of the aircraft prevents the placing of a number of more than three symbols on the fuselage or vertical tail surface.

Paragraph (g) of § 47.15, as amended by Amendment 47-8 issued 16 July 1969 (34 F.R. 12214), provides that the owner of an aircraft need not surrender a one to three symbol aircraft identification number assigned to his aircraft. The purpose of that amendment was to allow the transfer or reservation of an assigned one to three symbol number at the request of the current owner (previously, only the person to whom the aircraft was registered on 18 August 1964), regardless of when the aircraft was registered in his name, and to allow him to apply either for reassignment of the number to

another aircraft he owns or for reservation of the number for later assignment. By its terms, this relaxatory provision was not applicable to one to three symbol numbers assigned in accordance with paragraph (e) of § 47.15. An aircraft owner would have no future need for such a number unless he should later acquire an aircraft meeting the structural configuration or design requirement of § 47.15(e)—in which case § 47.15(e) again would be available to him. Thus, paragraph (g) is applicable to situations where one to three symbol numbers have been assigned pursuant to petitions for exemption based upon reasons other than the one applicable under § 47.15(e). Twelve of these petitions for exemption were processed by the FAA during the period 1 July 1968 through 30 June 1970.

It is now proposed to remove the restrictions on the assignment and reservation of one to three symbol aircraft identification numbers stated in § 47.15(e). As to aircraft owned by the FAA, its fleet is fairly constant in number, and in practice the Aircraft Registry assigns a larger number to an aircraft before the FAA disposes of it, thereby retaining the small number for later assignment. Also, without a regulatory provision the FAA could, like others, reserve some unassigned small numbers for its future needs, and it is anticipated that this would be done as to a moderate supply. Accordingly, further reservation of numbers for FAA aircraft by regulatory provisions is not now considered necessary, and removal of this rule should not affect the future assignment of small numbers of those aircraft. Furthermore, the FAA and the public have had an undue burden attendant upon processing requests for assignment of one to three symbol numbers under § 47.15(e), as well as in processing a substantial number of petitions for exemption. Finally removing the special rules on the assignment or reservation of one to three symbol numbers would not have an adverse effect on owners of small aircraft, since § 45.29(f) provides relief as to the size of required marks for small surfaces.

The FAA contemplates that after issuance of the proposed amendments as a final rule it would release one to three symbol aircraft identification numbers on a "first come, first served" basis. Each assignment or reservation of one of these numbers would require payment of the \$10 fee for a special identification number.

In consideration of the foregoing, it is proposed to strike out paragraphs (e) and (g) of § 47.15 of the Federal Aviation Regulations, and to amend paragraph (d) of that section to read as follows:

§ 47.15 Identification number.

(d) Any unassigned U.S. identification number may be assigned as a special identification number. An applicant who wants a special identification number or who wants to change the identification number of his aircraft may apply for it to

the FAA Aircraft Registry. The fee required by § 47.17 must accompany the application.

These amendments are proposed under the authority of sections 307(c) and 313(a), and Title V of the Federal Aviation Act of 1958 (49 U.S.C. 1348, 1354(a), 1401 et seq.); section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)); and § 1.47(a) of the Regulations of the Office of the Secretary of Transportation.

Issued in Oklahoma City, Okla., on May 20, 1971.

A. L. COULTER,
Director, Aeronautical Center.

[FR Doc.71-7691 Filed 6-2-71;8:49 am]

[14 CFR Part 71]

[Airspace Docket No. 71-SO-88]

TRANSITION AREA

Proposed Alteration

The Federal Aviation Administration is considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the Dothan, Ala., transition area.

Interested persons may submit such written data, views, or arguments as they may desire. Communications should be submitted in triplicate to the Federal Aviation Administration, Southern Region, Air Traffic Division, Post Office Box 20636, Atlanta, GA 30320. All communications received within 30 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Administration officials may be made by contacting the Chief, Airspace and Procedures Branch. Any data, views, or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in light of comments received.

The official docket will be available for examination by interested persons at the Federal Aviation Administration, Southern Region, Room 724, 3400 Whipple Street, East Point, GA.

The Dothan transition area described in § 71.181 (36 FR. 2140) would be amended as follows: " * * * Dothan VORTAC 350° radial * * * " would be deleted and " * * * Dothan VORTAC 350° radial; within a 6.5-mile radius of Wheelless Airport (lat. 31°13'35" N., long. 85°29'30" W.); excluding the portion northwest of Dothan VOR 237° radial * * * " would be substituted therefor.

The proposed alteration is required to provide controlled airspace protection for IFR operations at Wheelless Airport. A prescribed instrument approach pro-

cedure to this airport, utilizing the Dothan VOR, is proposed in conjunction with the alteration of this transition area.

This amendment is proposed under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348 (a)) and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in East Point, Ga., on May 24, 1971.

GORDON A. WILLIAMS, Jr.,
Acting Director, Southern Region.
[FR Doc.71-7692 Filed 6-2-71;8:49 am]

Federal Highway Administration

[49 CFR Part 395]

[Docket No. MC-27; Notice No. 71-8]

DRIVER'S LOG

Use of Old Forms

The Director of the Bureau of Motor Carrier Safety proposes to delete from § 395.8 of the Motor Carrier Safety Regulations (49 CFR 395.8) the provision which authorizes carriers and their drivers to use forms other than Form MCS-59 for the purpose of preparing required drivers logs.

Under the proposal, the last sentence of the first paragraph of the note at the end of § 395.8 would be deleted. That sentence provides as follows: "Stocks of logs in the possession of carriers or their suppliers as of the effective date of these regulations may be used, provided the information required by these regulations is entered thereon." The purpose of that provision, when it was originally adopted, was to avoid hardship during the period of transition to the general use of the form of driver's daily log found in § 395.8. Its objective was to permit carriers to exhaust stocks of existing forms which were in their possession or in the inventories of their suppliers at the time the new form was adopted. It is now more than 3 years since the date the revised form was adopted, and carriers have had ample time to exhaust stocks of old forms on hand as of that date.

It has come to the attention of the Director, however, that some carriers have misinterpreted the note to permit them to continue the use of a form of driver's log other than the prescribed Form MCS-59 and to reorder and reprint old forms so long as those forms were in use at the time the new form was prescribed. This indicates that the sentence quoted above not only has no further useful purpose but also may be misleading some persons into inadvertent violations of the law. For this reason, the Director proposes to delete it.

Interested persons are invited to submit written data, views, or arguments pertaining to the proposal. Comments must identify the docket and notice number set forth above and must be submitted to the Director, Bureau of Motor Carrier Safety, Washington, D.C.

20591. All comments received before the close of business on August 1, 1971 will be considered before further action is taken on the proposal. All comments will be available for examination in the docket in Room 4134, 400 Seventh Street SW., Washington, DC before and after the closing date for comments.

This notice of proposed rule making is issued under the authority of section 204 of the Interstate Commerce Act, 49 U.S.C. 304, section 6 of the Department of Transportation Act, 49 U.S.C. 1655, and the delegations of authority in 49 CFR 1.48 and 389.4.

Issued on May 25, 1971.

KENNETH L. PIERSON,

Acting Director,

Bureau of Motor Carrier Safety.

[FR Doc.71-7693 Filed 6-2-71;8:49 am]

CIVIL AERONAUTICS BOARD

[14 CFR Parts 249, 371]

[Docket No. 23442; EDR-202, SFDR-23]

UNIFORM REPORTING OF CONSUMER COMPLAINT STATISTICS AND RETENTION OF DATA

Notice of Proposed Rule Making

MAY 27, 1971.

Notice is hereby given that the Civil Aeronautics Board has under consideration the enactment of a new Part 371 (14 CFR Part 371) of the special regulations, and the amendment of Part 249 (14 CFR Part 249) of the economic regulations, to establish uniform reporting of statistics with regard to consumer complaints received by air carriers, and to provide for the retention of data used in the preparation of the reports. The uniform reporting would be designed to enable the Board, the carriers, and other interested persons and groups to keep informed of trends in consumer complaints, to become aware of problem areas, and to compare the experiences of individual carriers in a meaningful way.

The background of the proposed part is described in the explanatory statement below and the proposed new part as well as the proposed amendment to Part 249 are set forth in the proposed rule below. The new part and the amendment to Part 249 are proposed under the authority of sections 204(a) and 407 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 766; 49 U.S.C. 1324, 1377.

Interested persons may participate in the proposed rule making through submission of twelve (12) copies of written data, views, or arguments pertaining thereto, addressed to the Docket Section, Civil Aeronautics Board, Washington, D.C. 20428. All relevant material received on or before July 6, 1971, will be considered by the Board before taking final action on the proposed rule. Copies of such communications will be available for examination by interested persons in

the Docket Section of the Board, Room 712 Universal Building, 1825 Connecticut Avenue NW., Washington, DC, upon receipt thereof.

By the Civil Aeronautics Board.

[SEAL]

HARRY J. ZINK,

Secretary.

Explanatory statement. On October 28, 1969, the Director of the Board's Bureau of Enforcement sent a letter to the certificated direct air carriers located in the continental United States requesting specific statistics regarding consumer complaints received by the carriers during the 12-month period ending June 30, 1969,¹ along with information as to the customer relations organizations of the carriers, the carriers' handling and use of complaints, and the aspects of the carriers' operations which were the source of the greatest number of complaints.

While all carriers provided the requested information, some objected to making the statistics available to the public. They pointed out that the carriers vary in their methods of compiling complaint records, and that some carriers actively solicit passenger complaints while others do not. Thus it was argued that attempts to compare the complaint records of various carriers upon the basis of these statistics could result in misleading and unfair conclusions. Accordingly, it was urged by some carriers that the reports be withheld from public disclosure until a uniform method of maintaining and reporting the data could be adopted. The Board, however, determined that the two carriers who formally requested that the information be withheld from public disclosure had failed to establish that such disclosure would adversely affect their interests, and the Board concluded that withholding of the information would not be in the public interest.²

We recognize that the consumer complaint statistics would be more meaningful if the data were compiled and reported on a uniform basis, and this notice proposes a quarterly reporting form which would accomplish that purpose.

In addition to the information which would be required on the report form, it is proposed to require each carrier to report any significant changes or improvements in its customer relations organization, its handling and use of the complaints, and in problem areas of the carrier's operations which give rise to the most complaints.

We believe that uniformity of reporting complaint statistics, together with other information which would be required, should give the Board more adequate and complete information as to the type of problems travelers are experiencing. We regard such information to be particularly important in the area

of baggage complaints. Baggage difficulties, such as loss, theft, damage, or delay, appear to constitute a high proportion of the problems encountered by air travelers, and we believe that we require more complete data as to this problem than is presently available.

For this reason, the proposed report form would require that baggage complaints be reported in somewhat greater detail than other complaints. As to the categories of complaints other than baggage, subcategories illustrative of the items which should be included in each proposed report form category are listed in Appendix B. Should the comments filed in response to this notice, or future experience with the reporting system, indicate a need for more detailed reporting of the categories other than baggage, the subcategories presently listed in Appendix B could be written into the report form.

We believe that uniformity in reporting consumer complaint statistics would benefit the carriers by pinpointing areas where remedial action should be taken and by providing meaningful comparisons between their own complaint records and those of other carriers. Additionally, such reporting would be in accord with the general policy of recognizing the importance of providing information to consumers.

Although the original survey, as well as the updated information, encompassed only the scheduled route carriers located in the continental United States, the increased number of complaints against other segments of the industry suggests a need for obtaining similar information from all-cargo carriers, supplemental air carriers, and indirect air carriers insofar as they are located in the continental United States. The categories which would apply to these classes of carriers are indicated in the proposed rule.

Additionally, it is proposed to amend Part 249 of the economic regulations so as to require that the data used in preparing the consumer complaint reports be retained by the carrier for a period of 1 year after the report is filed with the Board.

It is proposed to make the first quarterly report due by October 30, 1971.

Proposed rule. I. It is proposed to amend Part 249 of the economic regulations as follows:

1. Amend § 249.8 as follows:

§ 249.8 Period of preservation of records by supplemental carriers.

* * *	* * *
Category of records	Period to be retained
* * *	* * *

- | | |
|--|---|
| 15. All written complaints and memoranda and records pertaining thereto, regarding which reports are required to be filed pursuant to Part 371 of the special regulations. | 1 year after filing of report with the Board. |
|--|---|

¹This request for information was intended to update a consumer complaint survey which was completed in September 1967, and released to the public on Feb. 2, 1970. The updated information was released on Dec. 22, 1970.

²Order 70-12-17, Dec. 3, 1970.

2. Amend § 249.13(f) as follows:

§ 249.13 Period of preservation of records by certificated route air carriers.

(f) * * *

SCHEDULE OF RECORDS

Category of records	Period to be retained	Microfilm indicator
305. All written complaints, and memoranda, and records pertaining thereto, regarding which reports are required to be filed pursuant to Part 371 of the special regulations.	1 year after filing of report with the Board.	***
***	***	***

3. Amend § 249.27 as follows:

§ 249.27 Prescribed periods of retention.

SCHEDULE OF RECORDS

Item number and category of records	Retention periods	Microfilm indicator (§ 249.23)
X. MISCELLANEOUS	***	***
5. All written complaints, and memoranda, and records pertaining thereto, regarding which reports are required to be filed pursuant to Part 371 of the special regulations.	1 year after filing of report with the Board.	***

II. It is proposed to add a new Part 371 of the special regulations to read as follows:

PART 371—UNIFORM REPORTING OF CONSUMER COMPLAINT STATISTICS

Sec.

- 371.1 Definitions.
 371.2 Applicability of CAB Form 371 filing requirements.
 371.3 Other information required.
 371.4 Extension of filing time.
 371.5 Certification.
 371.6 Examination by interested persons.
 371.7 Report form.

§ 371.1 Definitions.

As used in this part, unless the context otherwise requires:

"Complaint" means a written comment from a member of the public, received by any employee of the carrier, expressing dissatisfaction with any aspect of carrier service or operations which are outlined in Appendix B of this part. Complaints received on comment forms placed on the aircraft by the carrier shall be identified as indicated on the report form.

"Direct air carrier" means any combination route air carrier which engages directly in the operation of aircraft, pur-

suant to a certificate of public convenience and necessity issued under section 401 of the Act.

"Indirect air carrier" means any citizen of the United States, as defined in section 1(13) of the Act, which engages indirectly in interstate air transportation of property only, and which does not engage directly in the operation of aircraft in air transportation.

"Supplemental air carrier" means any air carrier which engages in the operation of aircraft pursuant to a certificate issued under section 401(d)(3) of the Act, or a special operating authorization issued under section 417 of the Act.

"All-cargo carrier" means an air carrier which engages directly in the operation of aircraft, pursuant to a certificate of public convenience and necessity issued under section 401 of the Act, and which is thereby authorized to carry property only or property and mail only.

§ 371.2 Applicability of CAB Form 371 filing requirements.

(a) This part applies to all direct air carriers, indirect air carriers, supplemental air carriers and all-cargo carriers, as defined in § 371.1.

(b) VAB Form 371, entitled "Report of Consumer Complaint Statistics" shall be filed quarterly. The report shall be completed in triplicate and addressed to the Civil Aeronautics Board, Washington, D.C. 20428, Attention: Bureau of Accounts and Statistics. It shall be filed so as to be received by the Civil Aeronautics Board not later than 30 days after the termination of each reporting period.

(c) Direct air carriers shall report on all categories on the report form CAB Form 371, entitled, "Report of Consumer Complaint Statistics." Supplemental air carriers shall report on all categories except B, N, V, W, X, and Y. Indirect air carriers shall report only on categories E, H, I, J, M, N, O, P, Q, R, S, and T. All-cargo carriers shall report only on categories C, D, F, G, H, I, J, M, N, O, P, Q, R, S, and T.

§ 371.3 Other information required.

(a) Each carrier to which this part applies shall, within the time for filing the first quarterly report pursuant to § 371.2, file a report describing the following aspects of the carrier's operations:

- (1) Customer relations organization.
- (2) Processing of complaints.
- (3) Use of information obtained from complaints.
- (4) Aspects of the carrier's operations which give rise to particularly large proportions of complaints received.

(b) Each carrier to which this part applies shall, within the time for filing each quarterly report pursuant to § 371.2 subsequent to the first such report, file a report indicating any significant changes or improvements with respect to

those aspects of the carrier's operation which are enumerated in paragraph (a) (1) through (4) of this section. If there is no change in one or more of the aspects of the carrier's operations which are enumerated in paragraph (a) (1) through (4) of this section, that fact shall be stated in the report.

(c) All reports filed pursuant to this section shall be prepared in triplicate and addressed to the Civil Aeronautics Board, Washington, D.C. 20428, Attention: Bureau of Accounts and Statistics.

§ 371.4 Extension of filing time.

Reports shall be filed within the prescribed time limit unless the Board or its delegate has granted an extension of time upon receipt of a written request therefor. Such a request must give good and sufficient reason to justify granting an extension of time and must be filed in sufficient time to enable the Board or its delegate to pass thereon before the prescribed due date. Requests for extensions of time will be granted only in extraordinary circumstances and for good cause shown.

§ 371.5 Certification.

The certificate of an officer of the reporting carrier shall accompany each Form 371 filed with the Board. If the reports required by § 371.3 are filed attached to Form 371, the certificate filed with Form 371 shall be deemed to apply to such reports. In all other cases, reports filed pursuant to § 371.3 shall be accompanied by the certificate of an officer of the reporting carrier. The original of each certification pursuant to this section shall be accompanied by two conformed copies thereof.

§ 371.6 Examination by interested persons.

The information included in the forms and reports filed pursuant to this part shall be available for inspection by interested persons in the Public Reference Room of the Board, Room 710 Universal Building, 1825 Connecticut Avenue NW., Washington, DC.

§ 371.7 Report form.

(a) Each air carrier shall file CAB Form 371, "Report of Consumer Complaint Statistics" (Appendix A to this part) in accordance with § 371.2.

(b) Data called for on CAB Form 371 shall be reported on a system basis.

(c) For each of the categories A through P, column (1) shall reflect the total number of complaints received from members of the public, including those received on comment forms placed on the aircraft by the carrier; column (2) shall reflect only those complaints received on comment forms placed on the aircraft.

(d) As a guide toward uniformity in reporting by all carriers, an explanation of the categories listed on CAB Form 371 is provided in Appendix B to this part.

APPENDIX A

OMB NO. _____

CAB Form 371

CIVIL AERONAUTICS BOARD
WASHINGTON, D.C. 20428

REPORT OF CONSUMER COMPLAINT STATISTICS

(To be filed with the Bureau of Accounts and Statistics
within 30 days after the end of each calendar quarter)

Air carrier _____ Quarter ended _____ 19__

(1) (2)

A. Flight irregularities:

Canceled _____
Delayed _____
Other _____

B. Reservations:

Oversales _____
Other _____

C. Baggage:

Lost _____
Damaged (inc. rough handling) _____
Delayed: _____
Not boarded _____
Boarded wrong flight _____
Over carry _____
Slow delivery to claim area _____
Delivery to home or hotel _____
Other: _____
Pilfered _____
Claim system _____
Porter service _____
Excess charges _____
Size limitations _____
Fees as baggage _____
Cabin baggage _____
Limit of liability _____
Lost and found _____
(unchecked items) _____
Dollars paid in claims \$ _____

D. Fares and refunds:

E. Personnel attitude _____

F. Flight information _____

G. In-flight service _____

H. Equipment and facilities:

Communications _____
Airport _____
Aircraft _____

I. Service in general:

Service unsatisfactory _____
Service inadequate, competition _____
needed _____
Schedules _____

J. Discrimination against passengers

or shippers: _____
Racial _____
Other _____
Boarding priorities including _____
standbys _____
Accommodations during delay _____

K. Customer assistance _____

L. Ticketing _____

M. Advertising _____

N. Cargo:

Lost _____
Damaged _____
Delayed _____
Other _____

O. Miscellaneous _____

P. Total complaints received _____

Q. Total compliments (optional) _____

R. Legal actions brought by consumers:

Pending _____
Completed _____

S. Man-years devoted to processing

complaints _____

T. Backlog of complaints end of period

(exclusive of claims): _____

Not acknowledged _____

Acknowledged and pending _____

U. Backlog of unsettled baggage claims

pending end of period: _____

Number pending over 90 days _____

V. Total number of denied boardings

due to oversales (whether or not _____
compensation was paid, includes _____
upgrades and downgrades) _____

W. Amount paid as denied boarding

compensation \$ _____

X. Performance:

Percentage of system scheduled _____
flights arriving within 15 min- _____
utes of scheduled arrival time _____
(includes all flight segments) _____

Y. Number of revenue passenger en-

planements (000) _____

CIVIL AERONAUTICS BOARD

WASHINGTON, D.C. 20428

REPORT OF CONSUMER COMPLAINT STATISTICS

Calendar quarter ended _____, 19__

(Full name of reporting air carrier)

(Certification¹)

I, the undersigned _____

(Title of officer in
charge of accounts)of the _____
(Full name of reporting air carrier)
do certify that this report and all schedules
and supporting documents which are sub-
mitted herewith, filed for the above indicated
calendar quarter, have been prepared by me
or under my direction; that I have carefully
examined them and declare that, to the best
of my knowledge and belief, the information
contained therein is complete and accurate.

(Signature)

(Air carrier post office
address)

Date _____, 19__

Certification CAB Form 371

APPENDIX B

Explanation of Categories on CAB Report
Form 371

"REPORT OF CONSUMER COMPLAINT STATISTICS"

A. Flight Irregularities:

Canceled:

Weather _____
Mechanical _____
Air Traffic delays _____
Airport congestion _____

Delayed:

Weather _____
Mechanical _____
Air traffic delays _____
Airport congestion _____
Misconnection _____
Hold for connection _____
Loading cargo _____
Boarding passengers _____
Unscheduled stop _____

Other:

Termination short of destination _____
No stop at scheduled stop _____
Equipment substitution _____
Early departure _____

B. Reservations:

Oversales:

Denied boarding _____
Upgrades _____
Downgrades _____

Other:

No record _____
Canceled in error _____
Change in class of service _____
Telephone service _____¹ Title 18 U.S.C. section 1001, Crimes and
Criminal Procedure, make it a criminal of-
fense, subject to a maximum fine of \$10,000
or imprisonment for not more than 5 years
or both, to knowingly and willfully make or
cause to be made any false or fraudulent
statements or representations in any matter
within jurisdiction of any agency of the
United States.Explanation of Categories on CAB Report
Form 371Misinformation or lack of information
re booking.
Wait list/standby procedures.
Advance seat selection.
Seat selection.
Reconfirmation.
Reservation service generally poor.

C. Baggage:

D. Fares and Refunds:

Misquote fare over phone.
Fare increase.
Promotional fares:

Restrictions.

Tariff rules.

Credit procedures.

Refunds:

Long delay in paying.
Lost tickets.
Service charge on refunds not credited.
Difference between air and surface
transportation.

Charging proposed fares.

E. Personnel Attitude:

Discourtesy, rudeness or indifference dis-
played to passenger by any airline
employee.

F. Flight Information:

Telephone.

Display boards.

In-flight information.

G. In-flight Service:

In-flight entertainment:

Quality.

Charges.

Multiclass service.

Meals:

Availability.

Type.

Special.

Quality.

Timeliness.

Liquor:

Availability.

Quantity.

Quality.

Charges.

Drinking water.

Soft drinks.

Magazines.

Writing portfolio.

H. Equipment and Facilities:

Communications:

Airport announcements.

TV monitors.

Paging service.

Telephone answering capability.

Airport:

Checking counters.

Gate space.

VIP lounge.

Curbside baggage checking.

Taxi and limousine.

Baggage claim facilities.

Baggage storage facilities.

Airport parking.

Restaurant facilities.

Restroom facilities.

Concessions.

Directional signs.

Aircraft:

Exterior cleanliness.

Passenger cabin:

Windows.

Seats—comfort (spacing) and cleanli-

ness.

Headrest covers.

Ashtrays.

Blankets and pillows.

Call button.

Reading light.

Seatbelt.

Folding tables.

Public address system.

*Explanation of Categories on CAB Report
Form 371*

- Smoking.
- Lavatories—cleaned and stocked—number.
- Cabin temperature.
- Cabin ventilation or pressure.
- I. Service In General:
 - Service unsatisfactory.
 - Service inadequate, competition needed.
- Schedules:
 - Insufficient.
 - Changed too often.
 - Suitability.
- J. Discrimination Against Passengers or Shippers:
 - Racial.
 - Other:
 - Boarding priorities.
 - Interrupted trip expenses.
- K. Customer Assistance:
 - General assistance by:
 - Reservations.
 - Passenger service:
 - Wheelchair.
 - Children.
 - Elderly.
 - Holding flight for late passengers.
 - Baggage service.
 - Flight crew.
 - Assistance during irregularity:
 - Meals.
 - Hotel.
 - Surface transportation.
 - Alternate air transportation.
 - Information during delays.
 - Message delivery.
- L. Ticketing:
 - Correctness.
 - Legibility.
 - Type of ticket sold.
 - Waiting time.
 - Preparation time.
- M. Advertising:
 - Misleading.
 - Offensive subject matter.
 - Timing.
- N. Cargo—Includes written complaints regarding cargo handling and all claims resulting from cargo mishandling.
 - Lost.
 - Damaged:
 - Rough handling.
 - Delayed:
 - Not boarded.
 - Boarded wrong flight.
 - Slow delivery.
 - Other:
 - Pilfered.
 - Excessive rates.
 - Live animals and perishables.
 - Remittance of c.o.d. monies.
 - Rerouting.
 - Size limitations.
 - Limit of liability:
 - Amount.
 - No notice.
- O. Miscellaneous.

[FR Doc.71-7631 Filed 6-2-71;8:45 am]

[14 CFR Part 399]

[Docket No. 23310; PSDR-30A]

**"CONFIRMED RESERVED SPACE" BY
TELEPHONE AS AN UNFAIR OR DE-
CEPTIVE PRACTICE****Supplemental Notice of Proposed Rule
Making**

MAY 28, 1971.

The Board, by notice of proposed rule making PSDR-30 dated April 23, 1971, and published at 36 F.R. 8058, gave notice that it had under consideration an

amendment to Part 399 of the regulations (14 CFR Part 399) which would establish a policy that the practice of air carriers or ticket agents in orally confirming reserved space to prospective passengers on scheduled flights in air transportation before a ticket is issued be regarded as an unfair or deceptive practice and an unfair method of competition in air transportation or the sale thereof within the meaning of section 411 of the Act. Interested persons were invited to participate by the submission of twelve (12) copies of written data, views or arguments pertaining thereto to the Docket Section of the Board on or before June 1, 1971. Subsequent to the issuance of the notice, the Air Transport Association on behalf of a number of member air carriers requested a 15-day extension of time for filing comments on the proposed rule. It states that the extension is needed for preparation of consolidated comments on the proposed rule which will present the Board with industry comments that are well-balanced and complete.

The undersigned finds that good cause has been shown for additional time for filing comments to the extent hereinafter granted. Accordingly, pursuant to the authority delegated in § 385.20(d) of the Board's organization regulations, the undersigned hereby extends the time for submitting comments to June 16, 1971. (Sec. 204(a), Federal Aviation Act of 1958, as amended, 72 Stat. 743; 49 U.S.C. 1324)

CHARLES A. HASKINS,
*Acting Associate General Counsel,
Rules and Rates.*

[FR Doc.71-7714 Filed 6-2-71;8:51 am]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 25]

[Docket No. 16495]

ESTABLISHMENT OF DOMESTIC COM- MUNICATIONS-SATELLITE FACILI- TIES BY NON-GOVERNMENTAL ENTITIES

**Order Extending Time for Filing Reply
Comments**

Upon consideration of the "Motion for Extension of Time," filed by the GTE Telephone Operating Companies on May 12, 1971, and the "Petition for Extension of Time," filed by MCI Lockheed on May 21, 1971:

It is hereby ordered, Pursuant to § 0.303 of the Commission's rules and regulations, that the time for filing reply comments in this proceeding, including pleadings with respect to terrestrial interconnection facilities, is extended to July 12, 1971.

Adopted: May 27, 1971.

[SEAL] BERNARD STRASSBURG,
Chief, Common Carrier Bureau.

[FR Doc.71-7712 Filed 6-2-71;8:51 am]

[47 CFR Part 73]

[Docket No. 19254; FCC 71-565]

FM BROADCAST STATIONS**Table of Assignments; Ellensburg,
Wash., etc.**

In the matter of amendment of § 73.202, Table of Assignments, FM Broadcast Stations (Ellensburg, Wash.; Leaksville and Eden, N.C.; Eau Gallie and Melbourne, Fla.); Docket No. 19254.

1. From time to time, our review of our FM Table of Assignments in § 73.202 of our rules indicates the need of amendment of that section of our rules, on our own motion, in order to eliminate assignments in violation of our minimum mileage separation requirements or in order to redesignate assignments formally made to communities, which have merged with other communities, forming new towns or cities. In this proceeding we give notice of three such proposed minor amendments. All population statistics cited herein are from the 1970 U.S. Census.

Ellensburg, Wash. 2. The county of Kittitas, Wash., with a population of 25,039, contains the significant community of Ellensburg. This small city, with 13,568 residents receives a noncommercial educational FM service on Channel 218 (KCWS-FM, located in Ellensburg). At the present time FM Channel 221A is the only commercial FM assignment at Ellensburg. It is unoccupied. KXLE, Inc. has recently offered an application for Channel 221A in order to bring the community its first local commercial FM service. In light of § 73.207(a) of our rules the application has not been accepted by the Commission, in that, there is an obvious minimum mileage separation problem between operative Channel 218 and assigned Channel 221A, both at Ellensburg. In order to solve the minimum mileage separation problem and to provide for a first local commercial FM service at Ellensburg, we propose to replace Channel 221A with a new assignment, Channel 237A. After any such revision of our Table of FM Assignments, applications, which are in order, will be accepted for Channel 237A at Ellensburg.

3. In view of the fact that Ellensburg is within 250 miles of the United States-Canadian border and the existence of the United States-Canadian Agreement on such FM assignments, the proposed assignment of Channel 237A to Ellensburg is subject to concurrence by the Canadian authorities.

Leaksville and Eden, N.C. 4. The North Carolina county of Rockingham, with a population of 72,402 has previously contained the independent community of Leaksville. In 1967 the communities of Leaksville, Spray, and Draper, N.C., and the unincorporated areas between these towns were consolidated into one city known as Eden, N.C. Our FM Table of Assignments presently indicates that FM Channel 233 is assigned to Leaksville and has no assignment for Eden. In view of the merger of the above communities

into Eden we propose to delete any assignment for Leaksville, N.C., and to redesignate Channel 233 as an Eden, N.C., assignment. Eden's population is 15,871. WFAF (which operates on the Leaksville assignment, Channel 233) is licensed to WLOE, Inc., as an Eden service.

Eau Gallie and Melbourne, Fla. 5. The small community of Eau Gallie, Fla. has, in recent years, merged into Melbourne, Fla., with its population of 40,236. The former community of Eau Gallie and the present community of Melbourne are located in Brevard County which has 230,006 residents. Our FM Table of Assignments indicates that FM Channel 296A is assigned to Eau Gallie, Fla. In order to up-date and correct this assignment we propose to redesignate Channel 296A as a Melbourne assignment. There are two applications pending for the use of the channel (BPH-6903 and BPH-7147). Neither application is expected to be affected by our proposed action. Melbourne, Fla., presently has assigned to it Channel 272A on which Station WYRL provides a broadcast service.

6. In view of the above facts and presentation we find that it is in the public interest to propose, on our own motion, the following amendments to § 73.202 of our rules:

City	Channel No.	
	Present	Proposed
Ellensburg, Wash.	221A	237A
Leaksville, N.C.	233	
Eden, N.C.		233
Eau Gallie, Fla.	296A	
Melbourne, Fla.	272A	272A, 296A

7. Authority for the actions proposed herein, is contained in sections 4(i), 303, and 307(b) of the Communications Act of 1934, as amended.

8. Pursuant to applicable procedures set out in § 1.415 of the Commission's rules and regulations interested parties may file comments on or before July 13, 1971, and reply comments on or before July 23, 1971. All submissions by parties to this proceeding, or persons acting on behalf of such parties must be made in written comments, reply comments, or other appropriate pleadings.

9. In accordance with the provisions of § 1.419 of the Commission's rules and regulations, an original and 14 copies of all written comments, reply comments, pleadings, briefs, or other documents, shall be furnished the Commission.

Adopted: May 26, 1971.

Released: May 28, 1971.

FEDERAL COMMUNICATIONS
COMMISSION,¹

[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-7711 Filed 6-2-71;8:51 am]

¹ Commissioner Wells absent.

147 CFR Part 83 I

[Docket No. 19253; FCC 71-554]

SHIP RADAR STATIONS

Clarification and Improvement of Servicing Requirements

In the matter of amendment of § 83.164 of the Rules to clarify and improve requirements concerning servicing of ship radar stations; Docket No. 19253.

1. Notice of proposed rule making is hereby given in the above-entitled matter.

2. The Commission proposes to amend § 83.164(a) (2) as follows:

a. Delete the words "while it is radiating energy" from the subparagraph.

b. Delete the words "or of receiving-type tubes" from the proviso to the subparagraph.

3. The first deletion is proposed so that the subparagraph, as amended, would unequivocally require a licensed operator, with radar endorsement, to perform the adjustments or tests, to which the subsection refers, regardless of whether the equipment "is radiating energy." The second deletion from the proviso clause, would limit nonlicensed persons to replacement of fuses.

4. The first proposed amendment is designed to preclude major adjustments or tests by unlicensed persons on the basis that the equipment was not at the time radiating energy. The fact that the transmitter portion is not radiating energy when such adjustments are made would not alter the potentially harmful effects of the adjustments when the transmitter portion is turned on. The second proposed amendment is designed to eliminate the possibility that unlicensed persons might make tube replacements which would affect the transmitter portion of the equipment.

5. These proposed amendments, as set forth below, are issued pursuant to authority contained in section 4(i) and 303 (e) (f) and (r) of the Communications Act of 1934, as amended.

6. Pursuant to the applicable procedures set forth in § 1.415 of the rules, interested persons may file comments on or before July 13, 1971, and reply comments on or before July 23, 1971. Section 1.419 of the rules requires the original and fourteen (14) copies of comments or reply comments to be filed. All relevant and timely comments and reply comments will be considered by the Commission prior to final action in this proceeding. In reaching its decision in this proceeding, the Commission may also take into consideration other relevant information before it, in addition to the specific comments invited by this notice.

Adopted: May 26, 1971.

Released: May 28, 1971.

FEDERAL COMMUNICATIONS
COMMISSION,¹

[SEAL] BEN F. WAPLE,
Secretary.

Section 83.164(a) (2) of the rules is amended as follows:

¹ Commissioner Wells absent.

§ 83.164 Waivers of operator requirements.

(a) * * *

(2) All adjustments or tests during or coincident with the installation, servicing, or maintenance of the equipment must be performed by or under the immediate supervision and responsibility of a person holding a temporary limited radiotelegraph operator license or a first- or second-class commercial radio operator license, radiotelephone or radiotelegraph, containing a ship-radar endorsement, who shall be responsible for the proper functioning of the equipment in accordance with the radio law and the Commission's rules and regulations and for the avoidance and prevention of harmful interference from improper transmitter external effects: *Provided, however,* That nothing in this subparagraph shall be construed to prevent persons not holding such licenses, or not holding such licenses so endorsed, from making replacement of fuses.

[FR Doc.71-7710 Filed 6-2-71;8:51 am]

INTERSTATE COMMERCE COMMISSION

[49 CFR Part 1100 I]

[Ex Parte No. 55 (Sub-No. 4)]

IMPLEMENTATION OF NATIONAL ENVIRONMENTAL POLICY

Notice of Proposed Rule Making

At a general session of the Interstate Commerce Commission, held at its office in Washington, D.C., on the 16th day of April 1971.

The National Environmental Policy Act of 1969 (NEPA) declares—

That it is the continuing policy of the Federal Government, in cooperation with State and local governments, and other concerned public and private organizations, to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans.

To implement this policy the Congress, in the same statute,¹ authorized and directed, among other things, "that, to the fullest extent possible: (1) The policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this Act, and (2) all agencies of the Federal Government shall—

(B) identify and develop methods and procedures, in consultation with the Council on Environmental Quality * * *, which will insure that presently unquantified environmental amenities and values may be given

¹ Section 102.

appropriate consideration in decisionmaking along with economic and technical considerations;

(C) Include in every recommendation or report on proposals for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on—

(i) The environmental impact of the proposed action,

(ii) Any adverse environmental effects which cannot be avoided should the proposal be implemented,

(iii) Alternatives to the proposed action,

(iv) The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and

(v) Any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented.

Prior to making any detailed statement, the responsible Federal official shall consult with and obtain the comments of any Federal agency which has jurisdiction by law or special expertise with respect to any environmental impact involved. Copies of such statement and the comments and views of the appropriate Federal, State, and local agencies, which are authorized to develop and enforce environmental standards, shall be made available to the President, the Council on Environmental Quality and to the public as provided by section 552 of title 5, United States Code, and shall accompany the proposal through the existing agency review processes, * * *

The policies and goals set forth in the NEPA are made supplementary to those set forth in existing authorizations of Federal agencies, and all such agencies, including this Commission, are required to review their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of that act.

BACKGROUND

The year 1970 marked the beginning of a new environmental emphasis. The Council on Environmental Quality has expressed² the hope of all citizens that the ecological problems now facing mankind can be resolved expeditiously. As the Council stated:

* * * much can be done to reverse the deadly downward spiral in environmental quality. Citizens, industries, and all levels of government have already begun to act in many ways which will improve environmental quality * * *. Efforts to solve the problems in the past have merely tried—not very successfully—to hold the line against pollution and exploitation. Each environmental problem was treated in an ad hoc fashion, while the strong, lasting interactions between various parts of the problem were neglected. Even today most environmental problems are dealt with temporarily, incompletely, and often only after they have become critical.

The isolated response is symptomatic of the environmental crisis. Americans in the past have not adequately used existing in-

stitutions to organize knowledge about the environment and to translate it into policy and action.

The National Environmental Policy Act was signed into law on January 1, 1970. In his comprehensive Message on the Environment, February 10, 1970, President Nixon said:

At the turn of the century, our chief environmental concern was to conserve what we had—and out of this concern grew the often embattled but always determined "conservation" movement. Today, "conservation" is as important as ever—but no longer is it enough to conserve what we have; we must also restore what we have lost. We have to go beyond conservation to embrace restoration.

The task of cleaning up our environment calls for a total mobilization by all of us. It involves governments at every level; it requires the help of every citizen. It cannot be a matter of simply sitting back and blaming someone else. Neither is it one to be left to a few hundred leaders. Rather, it presents us with one of those rare situations in which each individual everywhere has an opportunity to make a special contribution to his country as well as his community.

By the terms of Executive Order 11514, Protection and Enhancement of Environmental Quality, dated March 5, 1970, President Nixon gave practical effect to these general policies. The Federal Government was directed to "provide leadership in protecting and enhancing the quality of the Nation's environment to sustain and enrich human life," and Federal agencies were specifically required to "initiate measures needed to direct their policies, plans, and programs so as to meet national environmental goals." Consonant with this policy, the heads of Federal agencies are required, among other things, (1) to "[m]onitor, evaluate, and control on a continuing basis their agencies' activities so as to protect and enhance the quality of the environment;" and (2) to "[d]evelop procedures to insure the fullest practicable provision of timely public information and understanding of Federal plans and programs with environmental impact in order to obtain the views of interested parties. These procedures shall include, whenever appropriate, provision for public hearings, and shall provide the public with relevant information, including information on alternative courses of action." The Congress, through The Environmental Quality Improvement Act of 1970, Public Law 91-224, enacted April 3, 1970, also has declared that there is a national policy which provides for the enhancement of environmental quality and that this policy is "evidenced by statutes heretofore enacted relating to the prevention, abatement, and control of environmental pollution, water and land resources, transportation, and economic and regional development." And, finally, the Council on Environmental Quality has released interim guidelines dated April 30, 1970,³

³ These guidelines are proposed to be revised by notice of the Council on Environmental Quality which was published in 36 F.R. 1398; and see Statements on Proposed Federal Actions Affecting the Environment; Interim Guidelines, 35 F.R. 7390.

to govern statements on proposed Federal actions affecting the environment. The year 1970 may truly be called "The Year of the Environment."

This Commission has been advised by the chairman of the President's Council on Environmental Quality that certain of the proceedings pending before this Commission may have an environmental impact and that we are required by the NEPA to include a statement in each of the decisions that may be reached in such proceedings as to the probable environmental effects of the proposed action and any adverse environmental consequences that cannot be avoided should the proposal be implemented.

The investigation and rulemaking proceeding initiated by this notice is in furtherance of our continuing concern with environmental problems facing the people of our Nation. We recently expressed one aspect of this concern in the notice of proposed rulemaking and order entered December 21, 1970, in Ex Parte No. 85, Transportation of "Waste" Products for Reuse and Recycling (General Motor Carrier Licensing), a proceeding instituted to promote the reuse and recycling of "waste" materials, an ecological program specifically supported by President Nixon.⁴

It is the goal of this proceeding to develop the procedures necessary to implement the national environmental policies expressed in the NEPA and related statutes and requirements. We intend to adopt special procedural rules and guidelines which will best enable us to come to grips with those environmental matters which are within our regulatory jurisdiction.

IMPLEMENTATION

This Commission must and will implement the directives of the NEPA and related pronouncements. We must and will investigate the methods of meeting these statutory directives to create a more meaningful relationship between this Commission's regulatory responsibilities and the Nation's battle to save the environment. Our regulatory duties are broad, and we are daily confronted with a sweeping variety of cases ranging from a relative simple motor carrier licensing application to a complex rail merger or general rate increase proceeding, and affecting the public interest and the national transportation policy to varying degrees. We must and will, therefore, adopt practical procedures that are adaptable to the wide variety of cases we handle.

Some of the alternatives here under consideration include the following:

(1) The adoption of rules requiring or permitting all parties filing initial papers with this Commission to include an environmental impact statement, and a copy of that statement would be required to be served upon the Council on Environmental Quality. In addition, a notice to the public would be published

² The First Annual Report of the Council on Environmental Quality, transmitted to the Congress August 1970, at page 18.

⁴ President's Message on the Environment Feb. 10, 1970.

in the FEDERAL REGISTER to inform interested persons that environmental issues apparently are present in a particular proceeding and to invite such interested parties to participate in the proceeding. Involved Federal, State, and local agencies also would be consulted prior to final disposition of the proceeding pursuant to procedures as to which comments are specifically invited herein. In proceedings presently before this Commission, additional statements might be required to aid us in reaching a final determination; and

(2) Because the NEPA does not contemplate that all Commission proceedings be subject to the scrutiny proposed in the first alternative, even though all such proceedings may have some slight environmental impact, rules might be adopted which would provide for adequate notice and participation by interested persons in proceedings determined to have a significant effect on the quality of the environment. This alternative would require the adoption of rules permitting any person to file a separate environmental statement in any proceeding. It is believed that the requirement of filing environmental impact statements in all proceedings (or with all initial papers filed with the Commission) is not administratively feasible.

A somewhat more specific proposal being considered by this Commission is set forth below as Appendix A to this notice. This proposal represents a consolidation of alternatives presently being considered by this Commission. It as well as the foregoing general considerations and alternatives represent proposals only, as to which the comments of interested persons are invited in this proceeding.

PROCEDURAL MATTERS

Oral hearings do not appear to be necessary at this time and none is contemplated. Anyone wishing to present their views and evidence, either in support of, or in opposition to, the action proposed in this order may do so by the submission of written data, views, or arguments.

It is ordered, That, based on the foregoing explanation, a proceeding be, and it is hereby, instituted under the authority of the Interstate Commerce Act, the National Environmental Policy Act, Executive Order 11514, and 5 U.S.C. 553 and 559 (the Administrative Procedure Act), for the purpose of determining how this agency can best implement the national environmental policy and meet its statutory obligations, and for the purpose of taking such other and future action as the facts and circumstances may justify or require.

It is further ordered, That no hearings be scheduled for the receiving of oral testimony unless a need therefor should later appear, but anyone interested in making representations in favor of, or against the proposed regulations is hereby invited to do so by the submission of written data, views, or arguments. An original and 15 copies of such data, views,

or arguments shall be filed with the Commission on or before July 1, 1971, and a copy thereof shall be served simultaneously upon each of the Commission's regional headquarters identified in Appendix B to this notice and order. All such statements will be a part of the record in the proceeding.

And it is further ordered, That notice to the general public of the matter here under consideration will be given by depositing a copy of this notice in the Office of the Secretary of this Commission, and in each of this Commission's regional headquarters identified in Appendix B to this notice for public inspection and by filing a copy thereof with the Director, Office of the Federal Register; and that a copy of this notice shall be served on the Council on Environmental Quality and on the Environmental Protection Agency.

By the Commission.

[SEAL]

ROBERT L. OSWALD,
Secretary.

APPENDIX A—PROPOSED ADDITION TO SPECIAL RULES OF PRACTICE

SPECIAL RULES PERTAINING TO ALL PROCEEDINGS BEFORE THE COMMISSION TO INSURE THAT ENVIRONMENTAL AMENITIES AND VALUES ARE GIVEN APPROPRIATE CONSIDERATION

(a) *Scope of special rules.* These special rules are applicable to all proceedings before the Commission. They are intended to assist the Commission in discharging its duties under the National Environmental Policy Act of 1969 (Public Law 91-190, 83 Stat. 852) which authorizes and directs that, to the fullest extent possible, the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies for the protection of the environment declared in that act.

(b) *Detailed environmental statement.* It shall be the general policy of the Interstate Commerce Commission to adopt and adhere to the objectives and aims of the National Environmental Policy Act in performing its regulatory duties and powers under the Interstate Commerce Act and related statutes. Among other things, the National Environmental Policy Act requires, to the fullest extent possible, a detailed environmental statement in all reports and recommendations on legislative proposals and other major Federal actions which will significantly affect the quality of the human environment.

In compliance with this requirement, a detailed environmental statement will be made when the regulatory action taken by us under the applicable statutes will have such a significant environmental impact. The detailed statement shall fully develop the five factors listed below, among other relevant factors including the justification of a proposed action as compared to its alternatives. The following factors are listed merely to illustrate the kinds of values that must be considered in the statement, and in no respect is this listing to be construed as covering all factors relevant to the disposition of any particular proceeding:

- (1) The environmental impact of the requested action;
- (2) Any adverse environmental effects which cannot be avoided should the requested action be granted;
- (3) Alternatives to the requested action;
- (4) The relationship, if any, between local short-term uses of man's environment and maintenance and enhancement of long-term productivity; and

(5) Any irreversible and irretrievable commitments of resources which would be involved in the requested action should it be granted.

The procedures set forth in this rule are intended to encourage, to the fullest extent possible, public and governmental participation in those formal proceedings which might significantly affect the quality of the human environment, and to the end of insuring that a complete record is developed which will enable the Commission to consider fully the environmental impact of a contemplated action.

(c) *Applicable general and special rules not affected.* The Commission's general and/or special rules heretofore applicable to a proceeding shall remain in effect and govern the procedure therein. These special rules shall supplement the applicable existing rules.

(d) *Determination of environmental impact.* The National Environmental Policy Act does not contemplate that all of this Commission's proceedings shall be subject to the scrutiny of an environmental investigation even though all such proceedings may have some slight environmental impact. For example, it would not be administratively feasible to require environmental statements and determinations in the vast number of individual motor carrier operating rights applications filed with this Commission each year.

The following classifications of proceedings have been determined to be among those which might have a significant effect on the quality of the environment:

1. Rulemaking proceedings except those relating to rules of agency organization, procedure, or practice.
2. Application for a certificate authorizing the construction, extension, or abandonment of all or a portion of a line of railroad. Section 1(18)-(20).
3. Notice or petition to discontinue train or ferry service. Section 13a.
4. Application for approval of, or to amend a rate association agreement. Section 5a.
5. Application for authority to establish released value rates or ratings. Sections 20(11), 22(1), 219, and 413.
6. Proceedings concerning the lawfulness of rates for the future on waste products or reusable materials or on substitute raw materials. Sections 1(5), 2, 3(1), and 15a(2).
7. Application for the common use of terminal facilities. Section 3(5).
8. Application for authority to combine or consolidate. Section 5.
9. Application for authority to issue securities or to assume obligation or liability in respect of the securities of others. Sections 20a and 214.

Nothing in this section shall preclude this Commission from determining that any matter not listed above will have a significant effect on the quality of the environment.

(e) *Papers to show effect of subject matter of proceeding on the quality of human environment.* (1) In any initial papers filed by any party in a proceeding, there may be filed a statement indicating the presence or absence of any effect of the requested Commission action on the quality of human environment. If any such effect is alleged to be present, the paper shall include statements relating to each of the relevant factors set forth in part (b) (1)-(5) above.

(2) In all proceedings determined to have a significant effect on the quality of the environment, all parties shall file statements submitting information relating to the relevant factors set forth in part (b) (1)-(5) above.

(3) Statements filed pursuant to this part shall include specific information and data relating to the environmental issues involved.

PROPOSED RULE MAKING

Statements may be rejected by the Commission on the ground that they are vague or indefinite.

(f) *Notice to appropriate governmental agencies.* (1) A notice of all proceedings determined to have a significant effect on the quality of human environment and of all proceedings in which environmental allegations are made will be transmitted by the Commission to the Council on Environmental Quality and to appropriate governmental bodies—Federal, regional, State, and local—with a request for public comments on the environmental considerations listed in part (b) (1)–(5) above.

(2) An initial review shall be made of all papers submitted in compliance with these rules, and any deficiency as to form shall be called to the attention of the person or persons submitting the papers with a direction that such papers be appropriately revised. The paper, as so revised, shall then be served by the person or persons submitting it on those governmental bodies given notice pursuant to paragraph (1) of this section. The person or persons submitting the revised statement also shall supply 10 copies of the statement, as revised, to the Council on Environmental Quality.

(3) All interveners, including other Government agencies, taking a position on environmental matters shall file with the Commission an explanation of their environmental position, specifying any differences with the original party's detailed statement upon which intervener wishes to make its views known, and including therein a discussion of that position in the context of the factors enumerated in part (b) above. All interveners shall be responsible for filing 10 copies of their submission with the Council on Environmental Quality at the time they file with the Commission and shall also sup-

ply a copy of such submission to all participants to the proceeding. Nothing herein shall preclude an intervener from filing a detailed environmental statement. The Commission will consider all representations submitted prior to the final disposition of the proceeding.

(4) The views of the Council on Environmental Quality, if any, should be made in a written statement served upon the secretary of the Commission and all parties of record.

(g) *Official notice.* The Commission may take official notice of any facts relating to the environmental situations before it. This shall include, but not be limited to, scientific studies, governmental reports, and maps which have not been presented in evidence by any of the parties of record.

(h) *Determinations.* The determinations in all proceedings which investigate environmental issues should include an evaluation of the environmental factors enumerated in part (b) (1) (5) above, and the views expressed in conjunction therewith by all persons making formal comment pursuant to the provisions of this section. Specific findings should be made in each such proceeding as to whether the relief sought is or is not environmentally advantageous.

(i) *Review of initial decision on environmental impact.* Any initial decision with respect to the environmental issue will be subject to Commission review in the same manner as other issues in the proceeding.

(j) *Proceedings in progress.* With respect to those proceedings already in progress, the Commission recognizes that it may not be possible to comply fully with the procedures outlined herein and, in particular, that it may not be possible in every instance to include within the record all of the material relating to the environmental impact of the

contemplated action which might otherwise be developed. Nonetheless, it is the policy of the Commission to apply these procedures to the fullest extent possible to proceedings already in progress.

APPENDIX B—REGIONAL HEADQUARTERS

REGION 1

Regional Manager, Robert L. Abaro, Interstate Commerce Commission, John Fitzgerald Kennedy Building, Government Center, Room 2211B, Boston, MA 02203.

REGION 2

Regional Manager, Fred E. Cochran, Interstate Commerce Commission, 16th Floor, 1518 Walnut Street, Philadelphia, PA 19103.

REGION 3

Regional Manager, James B. Weber, Interstate Commerce Commission, 1253 West Peachtree Street, NW., Room 300, Atlanta, GA 30309.

REGION 4

Regional Manager, Charles W. Haas, Interstate Commerce Commission, Everett McKinley Dirksen Building, Room 1080, 210 South Dearborn Street, Chicago, IL 60604.

REGION 5

Regional Manager, Harold M. Gregory, Interstate Commerce Commission, 9A27 Fritz Garland Lanham Federal Building, 810 Taylor Street, Fort Worth, TX 76103.

REGION 6

Regional Manager, Ernest D. Murphy, Interstate Commerce Commission, 13001 Federal Building, 450 Golden Gate Avenue, Post Office Box 36004, San Francisco, CA 94103.

[FR Doc.71-7728 Filed 6-2-71;8:53 am]

Notices

DEPARTMENT OF THE INTERIOR Fish and Wildlife Service LOSTWOOD NATIONAL WILDLIFE REFUGE

Notice of Public Hearing Regarding Wilderness Proposal

Notice is hereby given in accordance with provisions of the Wilderness Act of September 3, 1964 (Public Law 88-577; 78 Stat. 890-896; 16 U.S.C. 1131-1136), that a public hearing will be held beginning at 7:30 p.m. on August 4, 1971, at the Courthouse in Bowbells, Burke County, N. Dak., on a proposal leading to a recommendation to be made to the President of the United States by the Secretary of the Interior, regarding the desirability of including Lostwood Wilderness proposal within the National Wilderness Preservation System. The wilderness proposal consists of approximately 5,486 acres within the Lostwood National Wildlife Refuge and is located in Burke and Mountrail Counties, N. Dak.

A brochure containing a map and information about the Lostwood Wilderness proposal may be obtained from the Refuge Manager, Lostwood National Wildlife Refuge, Lostwood, N. Dak. 58754, or the Regional Director, Bureau of Sport Fisheries and Wildlife, Federal Building, Fort Snelling, Twin Cities, Minn. 55111.

Individuals or organizations may express their oral or written views by appearing at this hearing, or they may submit written comments for inclusion in the official record of the hearing to the Regional Director at the above address by September 6, 1971.

J. P. LINDUSKA,
*Acting Director, Bureau of
Sport Fisheries and Wildlife.*

MAY 28, 1971.

[FR Doc.71-7673 Filed 6-2-71; 8:47 am]

National Park Service NATIONAL REGISTER OF HISTORIC PLACES

Additions

By notice in the FEDERAL REGISTER of February 20, 1971, Part II, there was published a list of the properties included in the National Register of Historic Places. This list has been amended by a notice in the FEDERAL REGISTER of March 2 (pp. 3930-31), April 6 (pp. 6526-28), and May 4 (pp. 8333-36). Further notice is hereby given that certain amendments or revisions, in the nature of additions, deletions, or corrections to the previously published list are adopted as set out below.

It is the responsibility of all Federal agencies to take cognizance of the properties included in the National Register as herein amended and revised in accordance with section 106 of the National Historic Preservation Act of 1966, 80 Stat. 915, 16 U.S.C. 470.

The following properties have been added to the National Register since May 4:

ALABAMA

Montgomery County

Montgomery, *Ordeman-Shaw Historic District*, bounded on the west by a line midway between McDonough and Hull Streets; on the north by Randolph Street; on the east by a line midway between Hull and Decatur Streets (to Jefferson Street) and by Decatur Street; and on the south by Madison Avenue.

CALIFORNIA

Amador County

Volcano vicinity, *Indian Grinding Rock (Chaw'se)*, 2.25 miles southwest of Volcano on Pine Grove-Volcano Road.

Butte County

Chico vicinity, *Patrick Rancheria*, 3 miles south of Chico.

Colusa County

Grimes vicinity, *Nouri Rancheria*, 1 mile southeast of Grimes on California 45.

Contra Costa County

Danville vicinity, *O'Neill, Eugene, House*, 1.5 miles west of Danville.

Kern County

Lebec vicinity, *Fort Tefon*, 3 miles northwest of Lebec on U.S. 99.

Kings County

Kettleman City vicinity, *Witt Site*, 12 miles west of Kettleman City on Utica Avenue.

Los Angeles County

Los Angeles, *Lummis Home*, 200 E Avenue 43. Pasadena (San Marino), *Old Mill (El Molino Viejo)*, 1120 Old Mill Road.

San Fernando, *Lopez Adobe*, 1100 Pico Street. San Gabriel, *San Gabriel Mission*, Junipero Street and West Mission Drive.

Wilmington, *Banning Home*, 401 East M Street.

Nevada County

French Lake vicinity, *Meadow Lake Petroglyphs*, east of French Lake, sec. 22, T. 18 N., R. 13 E.

Plumas County

Gold Lake vicinity, *Lakes Basin Petroglyphs*, northwest of Gold Lake, sec. 8, T. 21 N., R. 12 E.

Sacramento County

Locket, *Locke Historic District*, bounded on the west by the Sacramento River, on the north by Locke Road, on the east by Alley Street, and on the south by Lavee Street.

Sacramento, *Woodlake Site*, 0.5 mile southwest of KXOA radio towers.

San Diego County

Camp Pendleton, *Santa Margarita Ranch House*, off Vandegrift Boulevard. San Diego, *Villa Montezuma (Jesse Shepard House)*, 1925 K Street.

San Francisco County

San Francisco, *Phelps, Abner, House*, 329 Divisadero Street.

San Luis Obispo County

Nipomo, *Dana Adobe*, southern end of Oak Glen Avenue.

Shasta County

Redding vicinity, *Olsen Petroglyphs*, Bear Mountain Road, northeast of Redding.

Sierra County

Gold Lake vicinity, *Hawley Lake Petroglyphs*, west of Gold Lake, sec. 14, T. 21 N., R. 11 E. Truckee vicinity, *Sardine Valley Archeological District*, Portions of secs. 7 and 18, T. 19 N., R. 17 E.

COLORADO

Clear Creek County

Silver Plume, *Silver Plume Depot*, Interstate 70.

CONNECTICUT

Hartford County

Hartford, *Day House*, 77 Forest Street.

Litchfield County

Woodbury, *Bacon, Jabez, House*, north side of Hollow Road just above the intersection with U.S. 6.

DELAWARE

Kent County

Magnolia, *Louber, Mathew, House*, east of Main Street, north of the intersection.

New Castle County

New Castle Hundred, *Buena Vista*, on U.S. 13, 1.5 miles south of its junction with U.S. 40.

DISTRICT OF COLUMBIA

Washington, *Anderson, Larz, House*, 2118 Massachusetts Avenue NW.

FLORIDA

Leon County

Tallahassee, *The Columns (Benjamin Chaires House)*, corner of Adams Street and Park Avenue.

St. Johns County

St. Augustine, *Rodriguez-Avero-Sanchez House*, 52 St. George Street.

ILLINOIS

Cook County

Chicago, *Clarke, Henry B., House*, 4526 South Wabash Avenue.

KANSAS

Atchison County

Atchison, *Earhart, Amelia, Birthplace*, 223 North Terrace.

Chase County

Strong City vicinity, *Springhill Farm and Stock Ranch House*, 3 miles north of Strong City on Kansas 177.

NOTICES

MICHIGAN

Oakland County

Ortonville, Ortonville Mill, 336 Mill Street.

Ottawa County

Holland, Third Reformed Church, 110 West 12th Street.

Washtenaw County

Ann Arbor, White, Orrin, House (Robert Hodges Residence), 2940 Fuller Road.

Wayne County

Detroit, Orchestra Hall, 3711 Woodward Avenue.

MISSISSIPPI

Adams County

Natchez, King's Tavern, 611 Jefferson Street.

Carroll County

Avalon vicinity, Teoc Creek Site, SW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 9, T. 20 N., R. 2 E.

Carrollton vicinity, Malmanson Site, 6 miles northeast of Carrollton in N $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 7, T. 19 N., R. 3 E.

Loundes County

Columbus, Lee House (Blewett-Harrison-Lee House), 314 North Seventh Street.

MISSOURI

Buchanan County

St. Joseph, Pony Express Stables, 914 Penn Street.

Jackson County

Kansas City, Majors (Alexander) House, 8145 State Line Road.

NEW YORK

New York County

New York City, 170-176 John Street Building, 170-176 John Street.

Tompkins County

Ithaca, Boardman House, 120 East Buffalo Street.

NORTH CAROLINA

Johnston County

Clayton vicinity, Sanders-Hairr House, Route 1525 south of Clayton.

Orange County

Hillsborough, Eagle Lodge, 142 West King Street.

Vance County

Williamsboro, St. John's Episcopal Church, Route 1329.

Williamsboro vicinity, Burnside Plantation House, on Route 1335 about 1.8 miles east of Williamsboro Crossroads.

Wake County

Raleigh, Federal Building (Raleigh Post Office and Courtroom), 300 Fayetteville Street.

Raleigh, Seaboard Coast Line Railroad Co. Office Building, 325 Halifax Street.

Raleigh, White-Holman House, 209 East Morgan Street.

OHIO

Butler County

Oxford, Fisher Hall (Oxford Female College), Miami University campus.

Greene County

Fairborn vicinity, Huffman Field, Wright-Patterson Air Force Base, 1 mile southwest of Fairborn.

Lucas County

Toledo, Successful Sales Co. (Oliver House), 27 Broadway.

Summit County

Tallmadge, Tallmadge Town Square Historic District, Public Square.

PENNSYLVANIA

Chester County

West Chester, Old Main, West Chester State College, northwest corner of High Street and Rosedale Avenue.

Lancaster County

Lancaster, Herr, Hans, House, 1851 Hans Herr Drive.

RHODE ISLAND

Newport County

Newport, Baldwin, Charles H., House, Bellevue Avenue opposite Perry Street.

Newport, Gale, Levi H., House, 89 Touro Street.

Newport, Lucas-Johnston House, 40 Division Street.

Newport, Whitehorne, Samuel, House, 414 Thames Street.

Providence County

Chepachet, Chapachet Village Historic District, along both sides of Rhode Island 102—U.S. 44 north from the intersection of U.S. 44 and Rhode Island 102 to the intersection of Rhode Island 100 and 102—U.S. 44; included are properties on both sides of Dorr Drive, Douglas Hook Road, Point Lane, and Oil Mill Lane.
Providence, The Arcade, 130 Westminster Street and 65 Weybosset Street.

SOUTH CAROLINA

Abbeville County

Abbeville, Trinity Episcopal Church and Cemetery, Church Street.

Anderson County

Pendleton vicinity, Woodburn, end of Woodburn Road, 1.5 miles west of Pendleton.

Charleston County

Charleston, Citizens and Southern National Bank of South Carolina, 50 Broad Street.
Edisto Island vicinity, Old House Plantation, northeast of Edisto Island via South Carolina 174, County Route 768, and unnumbered road.

Edisto Island vicinity, Middleton's Plantation, 3.5 miles north of Edisto Island, then south 2 miles via unnumbered road.

Edisto Island vicinity, Seabrook, William, House, north of Edisto Island via South Carolina 174 and County Routes 968 and 768.

Mount Pleasant, Old Courthouse, 311 King Street.

Chester County

Chester vicinity, Catholic Presbyterian Church, 14 miles southeast of Chester on South Carolina 97 and County Route 355.

Chester vicinity, Lewis Inn, 6.5 miles northeast of Chester on South Carolina 72, then 0.5 mile west on South Carolina 909.

Richburg vicinity, Elliott House, 0.3 mile north of Richburg on South Carolina 901, then 1 mile on County Route 136.

Darlington County

Hartsville vicinity, Kelley, Jacob, House, 3 miles west of Hartsville, Route 2, South Carolina S-16-12.

Dillon County

Dillon, Dillon, James W., House, 1302 West Main Street.

Dorchester County

Summerville vicinity, Middleton Place, 10 miles southeast of Summerville on South Carolina 61.

Edgefield County

Edgefield vicinity, Horn Creek Baptist Church, south of Edgefield via Routes 34, 133, and a dirt road.

North Augusta vicinity, Big Stevens Creek Baptist Church, about 8 miles northwest of North Augusta on South Carolina 230.

Fairfield County

Monticello vicinity, Davis Plantation, 0.25 mile south of Monticello on South Carolina 215.

Ridgeway vicinity, St. Stephen's Episcopal Church, about 1 mile northeast of Ridgeway on County Route 108.

Ridgeway vicinity, Valencia, about 2 miles northwest of Ridgeway on County Route 106.

Georgetown County

Georgetown, Prince George Winyah Church (Episcopal) and Cemetery, corner of Broad and Highmarket Streets.

Greenville County

Greenville, Christ Church (Episcopal) and Churchyard, 10 North Church Street.

Kershaw County

Camden, City of Camden Historic District, bounded on the south by the city limits, on the east and west by the Southern Railroad right-of-way, and on the north by Dickey Creek Road.

Richland County

Columbia, Caldwell-Hampton-Boylston House, 829 Richland Street.

Columbia, Chestnut Cottage, 1718 Hampton Street.

Columbia, Columbia Historic District I, bounded on the south by Laurel Street; on the west by a line midway between Gadsden and Wayne Streets and a line midway between Gadsden and Lincoln Streets; on the north by a line two-thirds of the distance north of Calhoun Street between Calhoun and Elmwood Avenue; and on the east by a line midway between Assembly and Park Streets and by Park Street.

Columbia, Columbia Historic District II, bounded on the south by Taylor Street and a line midway between Taylor and Blanding Streets; on the west by a line between Marion and Sumter Streets; on the north by Richland Street and a line between Richland and Calhoun Streets; and on the east by Bull Street, then through the block between Barnwell and Henderson, by Pickens, and by Henderson.

Columbia, Horry-Guignard House, 1527 Senate Street.

Columbia, Picricorn House (Hale-Elmore-Seibels House), 1601 Richland Street.

Sumter County

Sumter vicinity, Stateburg Historic District, within a rectangle bounded by the following coordinates: On the northwest, latitude 33°59'37.6" N., longitude 82°32'30" W.; on the northeast, latitude 33°59'37.0" N., longitude 82°29'21.4" W.; on the southeast, latitude 33°56'42.9" N., longitude 82°29'21.4" W.; and on the southwest, latitude 33°56'42.9" N., longitude 82°32'30" W.

Union County

Cross Keys vicinity, Padgett's Creek Baptist Church, 2 miles east of Cross Keys.

TENNESSEE

Davidson County

Nashville, Belair, 2250 Lebanon Road.
Nashville, Belmont, Belmont Boulevard.
Nashville, Nashville Children's Museum (Lindsley Hall, University of Nashville), 724 Second Avenue South.

Nashville, Ryman Auditorium (Grand Old Opry House), 116 Opry Place.

Hickman County

Nunnally vicinity, Pinewood, approximately 3 miles north of Nunnally on Pinewood Road (Route 3).

Knox County

Knoxville, *Marble Springs*, Neubert Springs Road.

Montgomery County

Clarksville, *Sevier Station*, west side of Walker Street, 216 feet south of B Street.

Robertson County

Cedar Hill vicinity, *Wessyngton*, about 3 miles south of Cedar Hill, near Calebs Creek.

UTAH**Box Elder County**

Brigham City, *Box Elder Stake Tabernacle*, Main Street between Second and Third South Streets.

Piute County

Junction, *Piute County Courthouse*, Main Street at Center Street.

Salt Lake County

Salt Lake City, *The Council Hall (Old City Hall)*, Capitol Hill, head of State Street.

Salt Lake City, *Ottinger Hall*, 233 Canyon Road.

Salt Lake City, *Young, Brigham, Forest Farmhouse*, 732 Ashton Avenue.

Summit County

Park City vicinity, *Kimball Stage Stop*, NE $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 20, T. 1 S., R. 4 E.

Wasatch County

Midway, *Watkins-Coleman House*, 5 East Main Street.

Washington County

Washington, *Washington Cotton Factory*, on U.S. 91 (Frontage Road West).

VERMONT**Chittenden County**

Burlington, *Ethan Allen Engine Co. No. 4*, Church Street.

WASHINGTON**King County**

Seattle, *Alaska Trade Building (Union Record Building)*, 1915-1919 First Avenue.

WEST VIRGINIA**Jefferson County**

Shepherdstown, *Shepherd's Mill*, High Street.

ERNEST ALLEN CONNALLY,
Chief, Office of Archeology
and Historic Preservation.

[FR Doc.71-7672 Filed 6-2-71;8:47 am]

Office of the Secretary

THOMAS C. LOCKHART

Report of Appointment and Statement of Financial Interests

MARCH 22, 1971.

Pursuant to section 302(a) of Executive Order 10647, the following information on a WOC appointee in the Department of the Interior is furnished for publication in the FEDERAL REGISTER:

Name of appointee: Thomas C. Lockhart.

Name of employing agency: U.S. Department of the Interior, Office of Oil and Gas, Emergency Petroleum and Gas Administration.

The title of the appointee's position: Regional Administrator, Region 4, EPGA.

The name of the appointee's private employer or employers: Great Northern Oil Co.

The statement of "financial interests" for the above appointee is set forth below.

ROGERS C. B. MORTON,
Secretary of the Interior.

APPOINTEE'S STATEMENT OF FINANCIAL INTERESTS

In accordance with the requirements of section 302(b) of Executive Order 10647, I am filing the following statement for publication in the FEDERAL REGISTER:

(1) Names of any corporations of which I am, or had been within 60 days preceding my appointment, on January 4, 1971, as Regional Administrator, Region 4, Emergency Petroleum & Gas Administration, an officer or director:

Vice President and Director of Great Northern Oil Co.

(2) Names of any corporations in which I own, or did own within 60 days preceding my appointment, any stocks, bonds, or other financial interests:

Aquatain Ltd.

Pacific Petroleum.

Gulf Oil Corp.

National Industries, Inc.

Mobil Oil Corp.

Sola Basic.

Duro Test Corp.

Roblin Industries.

American General Insurance Co.

Pan American World Airways.

Canadian Hydrocarbon.

SMC Corp.

Chadbourne, Inc.

Ladd Petroleum Corp.

Bolse Cascade Corp.

Tenneco, Inc.

Lucky Stores

Martin Marietta.

Aztec Oil & Gas.

Northwest Airlines.

Chrysler Corp.

(3) Names of any partnerships in which I am associated, or had been associated within 60 days preceding my appointment:

The Villages.

320 Limited.

(4) Names of any other businesses which I own, or owned within 60 days preceding my appointment:

None.

THOMAS C. LOCKHART.

APRIL 30, 1971.

[FR Doc.71-7668 Filed 6-2-71;8:47 am]

DEPARTMENT OF AGRICULTURE**Commodity Credit Corporation
GRAINS AND SIMILARLY HANDLED
COMMODITIES****Notice of Final Date for Redemption of Warehouse Storage Loans Made Under 1967, 1968, and 1969 Crop Price Support Programs; Correction**

In the notice of final date for redemption of warehouse storage loans made under 1967, 1968, and 1969 Crop Price Support Programs published at 36 F.R. 8268, all final dates for repayment shown as "May 31, 1971" are corrected to read "June 1, 1971."

(Secs. 4 and 5, 62 Stat. 1070, as amended; secs. 101, 105, 107, 301, 401, 405, 63 Stat. 1051, as amended; 15 U.S.C. 1421, 1425, 1441, 1447)

Effective upon publication in the FEDERAL REGISTER (6-3-71).

Signed at Washington, D.C., on May 27, 1971.

CARROLL G. BRUNTHAVER,
Acting Executive Vice President,
Commodity Credit Corporation.

[FR Doc.71-7679 Filed 6-2-71;8:48 am]

**GRAINS AND SIMILARLY HANDLED
COMMODITIES****Notice of Final Date for Redemption of Warehouse Storage Loans Made Under 1970 Price Support Programs; Correction**

In the notice of final date for redemption of warehouse storage loans made under 1970 Price Support Programs published at 36 F.R. 8410, all final dates for repayment shown as "May 31, 1971" are corrected to read "June 1, 1971."

(Secs. 4 and 5, 62 Stat. 1070, as amended; secs. 101, 105, 107, 301, 401, 405, 63 Stat. 1051, as amended; 15 U.S.C. 714 b and c; 7 U.S.C. 1421, 1425, 1441, 1447)

Effective upon publication in the FEDERAL REGISTER (6-3-71).

Signed at Washington, D.C., on May 27, 1971.

CARROLL G. BRUNTHAVER,
Acting Executive Vice President,
Commodity Credit Corporation.

[FR Doc.71-7680 Filed 6-2-71;8:48 am]

[Amdt. 14]

SALES OF CERTAIN COMMODITIES**Monthly Sales List (Fiscal Year Ending June 30, 1971)**

The CCC Monthly Sales List for the fiscal year ending June 30, 1971, published in 35 F.R. 10922, is amended by the insertion of a section 51, which reads as follows:

51. *Butter—export sales.* Competitive offers, or at announced prices, as specified in invitations issued by the Minneapolis ASCS Commodity Office under the terms and conditions of Announcement MP-23. The invitations will indicate the type of export sales authorized, whether sales will be made by competitive offers or at announced prices, and the period of time for submission of offers.

Signed at Washington, D.C., on May 27, 1971.

CARROLL G. BRUNTHAVER,
Acting Executive Vice President,
Commodity Credit Corporation.

[FR Doc.71-7681 Filed 6-2-71;8:48 am]

Food and Nutrition Service**FOOD STAMP PROGRAM****Maximum Monthly Allowable Income Standards and Basis of Coupon Issuance**

On April 16, 1971, at pages 7240-54, the Food and Nutrition Service, Depart-

ment of Agriculture, published a notice of proposed rule making revising the regulations governing the operation of the Food Stamp Program. On April 16 and 17, 1971, the Food and Nutrition Service, Department of Agriculture, published the following three notices prescribing the maximum monthly allowable income standards and the basis of coupon issuance for the 48 States and D.C.; Alaska; and Hawaii:

FSP No. 1971-1, appearing at page 7273 in the issue of Friday, April 16, 1971;
FSP No. 1971-2, appearing at page 7320 in the issue of Saturday, April 17, 1971; and
FSP No. 1971-3, appearing at pages 7320-21 in the issue of Saturday, April 17, 1971.

Notice is hereby given that it was and is the intent of the Food and Nutrition Service, Department of Agriculture that material contained in the three notice documents referred to above is subject to the aforementioned proposed rule making and, therefore, shall not go into effect until the proposed rule making shall be adopted.

RICHARD LYNG,
Assistant Secretary.

[FR Doc.71-7683 Filed 6-2-71; 8:48 am]

DEPARTMENT OF COMMERCE

Bureau of International Commerce

[File Nos. 23 (70)-20, 22 (70)-8]

BERNARD CHOLLET

Order Temporarily Denying Export Privileges

In the matter of Bernard Chollet, Maugarny 15, 95 Montlignon, France, respondent.

The Director, Investigations Division, Office of Export Control, Bureau of International Commerce, pursuant to the provisions of § 388.11 of the Export Control Regulations (Title 15, Chapter III, Subchapter B, Code of Federal Regulations), has applied to the Compliance Commissioner for an order temporarily denying all export privileges to the above named respondent. The Compliance Commissioner has reviewed the application and the evidence presented in support thereof and has submitted his report, together with his recommendation that the application be granted and that a temporary denial order be issued for 60 days.

On the evidence presented there is reasonable basis to believe that the respondent acting in his own name, and also under the name of another individual residing in France, has ordered substantial quantities of commodities of various types from U.S. suppliers; that some of these commodities have been of a strategic nature; that some of these commodities have been exported from the United States consigned to parties designated by respondent, and that some of the commodities so exported from the United States to France have been re-exported to unauthorized destinations. There is also reasonable basis to believe

that in connection with the investigation of this case the respondent has made false and misleading statements regarding his participation in transactions relating to the procurement and attempted procurement of commodities which have been exported and which were ordered for exportation from the United States.

Pending further investigations and proceedings, I find that it is reasonably necessary for the protection of the public interest that an order be issued against the respondent temporarily denying all U.S. export privileges for a period of 60 days.

Accordingly, it is hereby ordered:

I. All outstanding validated export licenses in which respondent appears or participates in any manner or capacity are hereby revoked and shall be returned forthwith to the Bureau of International Commerce for cancellation.

II. The respondent is hereby denied all privileges of participating, directly or indirectly, in any manner or capacity, in any transaction involving commodities or technical data exported from the United States in whole or in part, or to be exported, or which are otherwise subject to the Export Control Regulations. Without limitation of the generality of the foregoing, participation prohibited in any such transaction, either in the United States or abroad, shall include participation, directly or indirectly, in any manner or capacity: (a) As a party or as a representative of a party to any validated export license application; (b) in the preparation or filing of any export license application or reexportation authorization, or any document to be submitted therewith; (c) in the obtaining or using of any validated or general export license or other export control document; (d) in the carrying on of negotiations with respect to or in the receiving, ordering, buying, selling, delivering, storing, using, or disposing of any commodities or technical data in whole or in part exported or to be exported from the United States; and (e) in the financing, forwarding, transporting, or other servicing of such commodities or technical data.

III. Such denial of export privileges shall extend not only to the respondent but also to his assigns, representatives, agents and employees and to any person, firm, corporation, or business organization with which he now or hereafter may be related by ownership or control or which he could use to evade the purposes of this order.

IV. This order shall take effect forthwith and shall remain in effect for a period of 60 days from the date hereof, unless it is hereafter extended, amended, modified, or vacated in accordance with the provisions of the U.S. Export Control Regulations.

V. No person, firm, corporation, partnership, or other business organization, whether in the United States or elsewhere, without prior disclosure to and specific authorization from the Bureau of International Commerce, shall do any of the following acts, directly or indirectly, or carry on negotiations with

respect thereto, in any manner or capacity, on behalf of or in any association with respondent or whereby the respondent may obtain any benefit therefrom or have any interest or participation therein, directly or indirectly: (a) Apply for, obtain, transfer, or use any license, Shipper's Export Declaration, bill of lading, or other export control document relating to any exportation, reexportation, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States, by, to, or for any said respondent; or (b) order, buy, receive, use, sell, deliver, store, dispose of, forward, transport, finance, or otherwise service or participate in any exportation, reexportation, transshipment, or diversion of any commodity or technical data exported or to be exported from the United States.

VI. A copy of this order shall be served upon the respondent.

VII. In accordance with the provisions of § 388.11(c) of the Export Control Regulations, the respondent may move at any time to vacate or modify this temporary denial order by filing an appropriate motion therefor, supported by evidence, with the Compliance Commissioner and may request an oral hearing thereon which, if requested, shall be held before the Compliance Commissioner, in Washington, D.C., at the earliest convenient date.

Dated: May 26, 1971.

RAUER H. MEYER,
Director,
Office of Export Control.

[FR Doc.71-7699 Filed 6-2-71; 8:45 am]

National Oceanic and Atmospheric Administration

GROUND FISH FISHERIES

Closure of Season

Notice is hereby given pursuant to § 240.8(a) (4), Title 50, Code of Federal Regulations, as follows:

On May 27, 1971, the Director, National Marine Fisheries Service, determined that U.S. vessels operating in regulatory area Subarea 5, west of 69°00' W. longitude, defined in § 240.1(b) (5) and § 240.6 (b) (2) had reached the quarterly catch limit for yellowtail flounder of 1,400 metric tons for the period April 1-June 30, 1971, as described in § 240.6(b) (2), published in the FEDERAL REGISTER 36 F.R. 158-164.

I hereby announce that the season for taking yellowtail flounder without restriction as to quantity by persons and vessels subject to the jurisdiction of the United States will terminate at 0001 hours local time in the area affected June 4, 1971. The restriction will remain in effect until 0001 hours local time July 1, 1971.

Issued at Washington, D.C., and dated May 28, 1971.

PHILIP M. ROEDEL,
Director, National Marine
Fisheries Service.

[FR Doc.71-7675 Filed 6-2-71; 8:48 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration
J. M. HUBER CORP.

Notice of Filing of Petition for Food Additive Silicon Dioxide

Pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409 (b) (5), 72 Stat. 1786; 21 U.S.C. 348(b) (5)), notice is given that a petition (MF-3457V) has been filed by J. M. Huber Corp., Post Office Box 310, Harve de Grace, Md. 21078, proposing that § 121.229 *Silicon dioxide* be amended to provide for the safe use of silicon dioxide as an anticaking agent in animal feed at a level not to exceed 2 percent by weight of finished feed.

Dated: May 18, 1971.

SAM D. FINE,
Associate Commissioner
for Compliance.

[FR Doc.71-7660 Filed 6-2-71;8:47 am]

[Docket No. FDC-D-339; NADA No. 10-056V]

UPJOHN CO.

Parvex Powder; Notice of Withdrawal of Approval of New Animal Drug Application

An announcement concerning Parvex Powder which contains piperazine-carbon disulfide complex was published in the FEDERAL REGISTER of December 11, 1968 (33 F.R. 18408). The announcement set forth the findings of the National Academy of Sciences-National Research Council, Drug Efficacy Study Group, and the Food and Drug Administration that the drug is an effective swine anthelmintic.

In addition the announcement provided 6 months for The Upjohn Co., Kalamazoo, Mich. 49001, holder of NADA (new animal drug application) No. 10-056V for the drug Parvex Powder, to submit revised labeling or to submit adequate documentation in support of the labeling used. No revised labeling or documentation in support of the current labeling was received. The Upjohn Co. advised the Food and Drug Administration that the preparation had been discontinued and requested that approval of said NADA be withdrawn.

The Commissioner of Food and Drugs concludes, on the basis of the information before him with respect to said drug, that approval of said NADA should be withdrawn. Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 512, 82 Stat. 343-51; 21 U.S.C. 360b) and under authority delegated to the Commissioner (21 CFR 2.120), approval of NADA No. 10-056V including all amendments and supplements thereto is hereby withdrawn effective

on the date of signature of this document.

Dated: May 25, 1971.

SAM D. FINE,
Associate Commissioner
for Compliance.

[FR Doc.71-7662 Filed 6-2-71;8:47 am]

[DESI 11250]

CERTAIN DRUGS USED FOR TREAT- MENT OF AMMONIA INTOXICATION

Drugs for Human Use; Drug Efficacy Study Implementation

The Food and Drug Administration has evaluated reports received from the National Academy of Sciences-National Research Council, Drug Efficacy Study Group, on the following drugs for parenteral use:

1. R-Gene Injection containing arginine hydrochloride; Cutter Laboratories, Inc., Fourth and Park Streets, Berkeley, Calif. 94710 (NDA 11-250).

2. Glutavene Solution for Injection containing sodium glutamate; Tilden-Yates Laboratories, Inc., Fairfield Road, Wayne, N.J. 07470 (NDA 12-036).

3. Glutavene-K Solution for Injection containing sodium glutamate and potassium glutamate; Tilden-Yates Laboratories, Inc. (NDA 12-037).

4. Modumate Solution for Injection containing arginine glutamate; Abbott Laboratories, 14th and Sheridan Road, North Chicago, Ill. 60064 (NDA 11-640).

These drugs are regarded as, new drugs. The effectiveness, classification, and marketing status are described below.

A. Effectiveness classification. The Food and Drug Administration has considered the Academy's reports as well as other available evidence, and concludes that these drugs are possible effective for their labeled indications relating to use in conditions associated with elevated blood ammonia levels.

B. Marketing status. 1. Holders of previously approved new drug applications and any person marketing any such drug without approval will be allowed 6 months from the date of publication of this announcement in the FEDERAL REGISTER to obtain and to submit in a supplemental or original new drug application data to provide substantial evidence of effectiveness for those indications for which these drugs have been classified as possibly effective. To be acceptable for consideration in support of the effectiveness of a drug, any such data must be previously unsubmitted, well-organized, and include data from adequate and well-controlled clinical investigations (identified for ready review) as described in § 130.12(a)(5) of the regulations published in the FEDERAL REGISTER of May 8, 1970 (35 F.R. 7250). Carefully conducted and documented clinical studies obtained under uncontrolled or partially controlled situations are not acceptable as a

sole basis for the approval of claims of effectiveness, but such studies may be considered on their merits for corroborative support of efficacy and evidence of safety.

2. At the end of the 6-month period, any such data will be evaluated to determine whether there is substantial evidence of effectiveness for such uses. After that evaluation, the conclusions concerning the drugs will be published in the FEDERAL REGISTER. If no studies have been undertaken or if the studies do not provide substantial evidence of effectiveness, procedures will be initiated to withdraw approval of the new drug applications for such drugs, pursuant to the provisions of section 505(e) of the Federal Food, Drug, and Cosmetic Act. Withdrawal of approval of the applications will cause any such drugs on the market to be new drugs for which an approval is not in effect.

The above-named holders of the new drug applications for these drugs have been mailed a copy of the Academy's report. Any interested person may obtain a copy of these reports by request to the Food and Drug Administration, Press Relations Office (CE-200), 200 C Street SW., Washington, D.C. 20204.

Communications forwarded in response to this announcement should be identified with the reference number DESI 11250, directed to the attention of the appropriate office listed below, and addressed to the Food and Drug Administration, 5600 Fishers Lane, Rockville, Maryland 20852:

Supplements (Identify with NDA number):
Office of Scientific Evaluation (BD-100),
Bureau of Drugs.

Original new drug applications: Office of
Scientific Evaluation (BD-100), Bureau of
Drugs.

All other communications regarding this announcement: Drug Efficacy Study Implementation Project Office (BD-5), Bureau of Drugs.

This notice is issued pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502, 505, 52 Stat. 1050-53, as amended; 21 U.S.C. 352, 355) and under the authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120).

Dated: May 6, 1971.

SAM D. FINE,
Associate Commissioner
for Compliance.

[FR Doc.71-7663 Filed 6-2-71;8:47 am]

[DESI 9698; Docket No. FDC-D-227;
NDA 9-693, etc.]

MEPROBAMATE

Drugs for Human Use; Drug Efficacy Study Implementation; Correction

In F.R. Doc. 70-12484 appearing at page 14663 in the FEDERAL REGISTER of September 19, 1970, the portion setting forth labeling is corrected as follows:

1. Under "Oral Meprobamate—Warnings," second paragraph, last sentence, change "symptoms usually cease within the next 12- to 14-hour period" to "symptoms usually cease within the next 12- to 48-hour period."

2. Under "Oral Meprobamate—Overdosage," last paragraph, change "hemodialysis" in next to last sentence to "hemodialysis" and change "Replace" in the last sentence to "Relapse".

Dated: May 25, 1971.

SAM D. FINE,
Associate Commissioner
for Compliance.

[FR Doc. 71-7661 Filed 6-2-71; 8:47 am]

[DESI 12911]

METYRAPONE AND METYRAPONE DITARTRATE

Drugs for Human Use; Drug Efficacy Study Implementation

In the FEDERAL REGISTER of May 28, 1968 (33 F.R. 7762), it was proposed (21 CFR Part 130, Subpart D) that metyrapone and metyrapone ditartrate be listed as drugs for human use that under specified conditions would not require an approved new drug application. Upon reconsideration, the Commissioner of Food and Drugs has determined that these drugs should continue to be regarded as new drugs. The conclusions concerning them are described below.

The drugs evaluated by the National Academy of Sciences-National Research Council, Drug Efficacy Study Group, were:

1. Metopirone Tablets containing metyrapone (NDA 12-911), and

2. Metopirone Injection containing metyrapone ditartrate (NDA 12-913), both marketed by Ciba Pharmaceutical Co., 556 Morris Avenue, Summit, N. J. 07901.

Such drugs are regarded as new drugs (21 U.S.C. 321 (p)). Supplemental new drug applications are required to revise the labeling in and to update previously approved applications providing for such drugs. A new drug application is required from any person marketing such drug without approval.

A. Effectiveness classification. The Food and Drug Administration has considered the Academy's reports, as well as other available evidence, and concludes that metyrapone and metyrapone ditartrate are effective for use as a diagnostic test for hypothalamico-pituitary function.

B. Conditions for approval and marketing. The Food and Drug Administration is prepared to approve abbreviated new drug applications and abbreviated supplements to previously approved new drug applications under conditions described herein.

1. **Form of drug.** Metyrapone preparations are in tablet form suitable for oral administration or, if present as the ditartrate, in an injectable form suitable

for intravenous infusion.

2. **Labeling conditions.** a. The labels bear the statement, "Caution: Federal law prohibits dispensing without prescription."

b. The drugs are labeled to comply with all requirements of the Act and regulations. The labeling bears adequate information for safe and effective use of the drug and is in accord with the guidelines for uniform labeling published in the FEDERAL REGISTER of February 6, 1970. The "Indications" section is as follows: (Labeling guidelines are available from the Administration on request.)

INDICATIONS

A diagnostic test drug for hypothalamico-pituitary function.

3. **Marketing status.** Marketing of such drugs may be continued under the conditions described in the notice entitled "Conditions for Marketing New Drugs Evaluated in Drug Efficacy Study," published in the FEDERAL REGISTER July 14, 1970 (35 F.R. 11273), as follows:

a. For holders of "deemed approval" new drug applications (i.e., an application which became effective on the basis of safety prior to October 10, 1962), the submission of an abbreviated supplement for updating information and for oral tablet forms adequate data to show the biologic availability of the drug in the formulation which is marketed, as described in paragraphs (a) (1) (ii) and (iii) of the notice of July 14, 1970.

b. For any person who does not hold an approved or effective new drug application, the submission of an abbreviated new drug application, to include for oral tablet forms adequate data to assure the biologic availability of the drug in the formulation which is or is intended to be marketed, as described in paragraph (a) (3) (ii) of that notice.

c. For any distributor of the drug, the use of labeling in accord with this announcement for any such drug shipped within the jurisdiction of the Act as described in paragraph (b) of that notice.

A copy of the Academy's report has been furnished to Ciba Pharmaceutical Co. Any other interested person may obtain a copy by request to the Food and Drug Administration, Press Relations Office (CE-200), 200 C Street SW., Washington, D.C. 20204.

Communications forwarded in response to this announcement should be identified with the reference number DESI 12911, directed to the attention of the appropriate office listed below, and addressed to the Food and Drug Administration, 5600 Fishers Lane, Rockville, Maryland 20852:

Supplements (Identify with NDA number):
Office of Scientific Evaluation (BD-100),
Bureau of Drugs.

Original abbreviated new drug applications (Identify as such): Drug Efficacy Study Implementation Project Office (BD-5),
Bureau of Drugs.

All other communications regarding this announcement: Drug Efficacy Study Implementation Project Office (BD-5), Bureau of Drugs.

This notice is issued pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 502, 505, 52 Stat. 1050-53, as amended; 21 U.S.C. 352, 355) and under the authority delegated to the Commissioner of Food and Drugs (21 CFR 2.120).

Dated: May 5, 1971.

SAM D. FINE,
Associate Commissioner
for Compliance.

[FR Doc. 71-7664 Filed 6-2-71; 8:47 am]

DEPARTMENT OF TRANSPORTATION

Coast Guard

[CG 71-50]

NEW LONDON HARBOR

Security Zone

By virtue of the authority vested in the Commandant, U.S. Coast Guard, by Executive Order 10173, as amended (33 CFR Part 6), sec. 6(b) (1), 80 Stat. 937, 49 U.S.C. 1655(b) (1), 49 CFR 1.46(b) and the redelegation of authority to Chief, Office of Operations, U.S. Coast Guard, as contained in the FEDERAL REGISTER of May 27, 1970 (35 F.R. 8279), I hereby affirm for publication in the FEDERAL REGISTER the order of B.B. Leland, Captain, U.S. Coast Guard, Acting Commander, Third Coast Guard District, who has exercised authority as District Commander, such order reading as follows:

NEW LONDON HARBOR

SECURITY ZONE

Under the present authority to section 1 of Title II of the Espionage Act of June 15, 1917, 40 Stat. 220, as amended, 50 U.S.C. 191, and Executive Order 10173 as amended and 14 U.S.C. 91, I declare that from 5:30 p.m., e.d.s.t., on Friday, June 4, 1971, until "USS Silversides" is secured to the wet dock at Electric Boat Division, General Dynamics, the following area is a security zone and I order it be closed to any person or vessel due to launching of the "USS Silversides" (SSN 579) from the north ways of Electric Boat Co.

The waters of New London Harbor, New London, Conn., within the coordinates latitude 41°20'32" North and 41°21'03" North.

No person or vessel shall remain in or enter this security zone without permission of the Captain of the Port.

The Captain of the Port, New London, Conn., shall enforce this order. In the enforcement of this order, the Captain of the Port may utilize, by appropriate agreement, personnel and facilities of any other Federal agency, or of any State or political subdivision thereof.

For violation of this order, section 3 of Title II of the Espionage Act of June 15, 1917 (40 Stat. 220 as amended, 50 U.S.C. 193), provides:

"If any owner, agent, master, officer, or person in charge, or any member of the crew of any such vessel fails to comply with any regulation or rule issued or order given under the provisions of this chapter, or obstructs or interferes with the exercise of

any power conferred by this chapter, the vessel, together with her tackle, apparel, furniture, and equipment, shall be subject to seizure and forfeiture to the United States in the same manner as merchandise is forfeited for violation of the customs revenue laws; and the person guilty of such failure, obstruction, or interference shall be punished by imprisonment for not more than 10 years and may, in the discretion of the court, be fined not more than \$10,000.

"(a) If any other person knowingly fails to comply with any regulation or rule issued or order given under the provisions of this chapter, or knowingly obstructs or interferes with the exercise of any power conferred by this chapter, he shall be punished by imprisonment for not more than 10 years and may, at the discretion of the court, be fined not more than \$10,000."

Dated: May 28, 1971.

R. E. HAMMOND,
Rear Admiral, U.S. Coast Guard,
Chief, Office of Operations.

[FR Doc. 71-7723 Filed 6-2-71; 8:52 am]

National Highway Traffic Safety Administration

[Docket 3-3; Notice 4A]

FLAMMABILITY OF INTERIOR MATERIALS

Denial of Petition for Reconsideration

Federal Motor Vehicle Safety Standard No. 302, "Flammability of Interior Materials in Passenger Cars, Multipurpose Passenger Vehicles, Trucks, and Buses" was published January 8, 1971 (36 FR 289). Following issuance of the standard, one petition for reconsideration, from American Motors Corp., was received. The petition requested that the maximum allowable burn rate specified by the standard be changed from 4 inches per minute to 10 inches per minute. Pursuant to §§ 553.35, 553.37, and 553.39 of Title 49, Code of Federal Regulations, notice is hereby given that this petition is denied.

American Motors noted that a particular material may be required to have a burn rate specification of substantially less than 4 inches per minute in order for a manufacturer to be reasonably certain that all vehicles in a production run will be in conformity with the standard. The reason for establishing the burn rate requirement at 4 inches per minute, with a horizontal test, was discussed in the preamble to the standard. As stated therein, the agency has determined that this burn rate is necessary to prevent injury to occupants from rapidly spreading interior fires, to allow sufficient time for the driver to stop the vehicle, and, if necessary, for occupants to leave it before injury occurs. In addition, studies which the NHTSA has conducted have disclosed that many materials presently available and in use will meet this requirement.

The agency recognizes that the performance level established in the standard will require manufacturers to use materials whose actual test performance exceeds that level; this is true of all

safety standards that set quantitative performance requirements. The degree to which test performance must exceed the requirements depends on the uniformity of the materials used, the effectiveness of quality control procedures, and the safety margin that the manufacturer chooses to build into his product. This is the intended result of the National Traffic and Motor Vehicle Safety Act.

This notice is issued under the authority of sections 103 and 119 of the National Traffic and Motor Vehicle Safety Act, 15 U.S.C. secs. 1392, 1407, and the delegation of authority at 49 CFR 1.51.

Issued on May 28, 1971.

DOUGLAS W. TOMS,
Acting Administrator.

[FR Doc. 71-7724 Filed 6-2-71; 8:52 am]

ATOMIC ENERGY COMMISSION

[Docket No. 50-13]

BABCOCK & WILCOX CO.

Order Authorizing Dismantling of Facility

By application dated April 2, 1971, and supplement thereto dated April 20, 1971, the Babcock & Wilcox Co. has requested authorization to dismantle and dispose of the Split Table Critical Experiments (STCE) Facility and its fuel under Facility License No. CX-12. The STCE Facility is located in the Lynchburg Research Center at Lynchburg, Va.

The Commission has reviewed the application, as supplemented, in accordance with the provisions of the Commission's regulations and has found that the dismantlement, decontamination, and disposal of the component parts of the STCE Facility and the disposal of its fuel in accordance with the regulations in 10 CFR Chapter I, and the application will not be inimical to the common defense and security or to the health and safety of the public.

Accordingly, it is hereby ordered that the Babcock & Wilcox Co. may, under Facility License No. CX-12, as amended, dismantle, decontaminate, dispose of component parts of the STCE Facility and dispose of its fuel in accordance with its application dated April 2, 1971, and supplement thereto dated April 20, 1971.

Upon completion of the dismantlement of the STCE Facility, decontamination and disposal of the components parts and an inspection by representatives of the Atomic Energy Commission, consideration will be given to the issuance of an order terminating Facility License No. CX-12.

This order is effective as of the date of issuance.

Date of issuance: May 25, 1971.

For the Atomic Energy Commission.

PETER A. MORRIS,
Director,

Division of Reactor Licensing.

[FR Doc. 71-7674 Filed 6-2-71; 8:47 am]

CIVIL AERONAUTICS BOARD

[Dockets Nos. 23423, 23381; Order 71-5-133]

NORTHEAST AIRLINES, INC.

Order of Investigation and Suspension

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 27th day of May 1971.

By tariff revisions¹ marked to become effective June 1, June 11, and June 27, 1971, Northeast Airlines, Inc. (Northeast), proposes to establish round-trip family excursion fares between Baltimore/Washington, Bangor, Boston, Hartford, New York, Philadelphia, Portland, Maine, Presque Isle, on the one hand, and Miami/Fort Lauderdale, on the other. The discounts could range up to 28 percent from existing family fares depending on the size and composition of the group. The fares are subject to a minimum stay requirement of 7 days, and a maximum stay of 21 days. The fares are marked to expire December 15, 1971.²

Northeast asserts that its filing is made to meet the family excursion fares recently proposed by Eastern Air Lines, Inc. (Eastern), modified "to provide a more usable tariff . . .".³ The essential differences between Northeast's and Eastern's proposals are that Northeast's fares are somewhat higher for groups of comparable size but the rules of applicability are more liberal, particularly in that the fares are available for northbound as well as southbound originations and are not subject to the weekend blackout periods traditional with family fares.

National Airlines, Inc. (National), filed a complaint against Northeast's proposal alleging that it is untimely in view of imminent Board decision in Phase 5 (Discount Fares) of the Domestic Passenger-Fare Investigation, and involves a substantial risk of revenue dilution.

Upon consideration of the tariff proposal, the complaint, and other relevant matters the Board finds that the proposal may be unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful and should be investigated. The Board further concludes that the fares should be suspended pending investigation.

In determining to suspend Eastern's earlier family excursion fare proposal, we noted that the magnitude of the discounts would result in significant yield erosion at a time when the industry is expressing considerable concern over maintaining or increasing yield. While the discounts here proposed by Northeast are somewhat less, they are nevertheless substantial and result in fares which may be unreasonably low. Moreover, the more extensive availability of the fares can

¹ Revisions to Airline Tariff Publishers, Inc., Agent, Tariff CAB Nos. 136 and 142.

² National Airlines, Inc. (National), has filed a defensive tariff matching Northeast.

³ The Board suspended and placed under investigation Eastern's proposed family excursion fares by Order 71-5-100, May 27, 1971.

only enhance the probability of yield erosion. On this basis, we conclude that the fares should not be permitted without investigation.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204 and 1002 thereof:

It is ordered, That:

1. An investigation be instituted to determine whether the fares and provisions described in Appendix A hereto,⁴ and rules, regulations, or practices affecting such fares and provisions, are or will be unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial, or otherwise unlawful, and if found to be unlawful, to determine and prescribe the lawful fares and provisions, and rules, regulations, or practices affecting such fares and provisions;

2. Pending hearing and decision by the Board, the fares and provisions described in Appendix A hereto⁴ are suspended and their use deferred to and including August 29, 1971, unless otherwise ordered by the Board, and that no changes be made therein during the period of suspension except by order or special permission of the Board;

3. Except to the extent granted herein, the complaint of National Airlines, Inc., in Docket 23381 is hereby dismissed;

4. The investigation ordered herein is hereby consolidated into Docket 23423; and

5. A copy of this order will be filed with the aforesaid tariffs and served upon National Airlines, Inc., and Northeast Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.⁵

[SEAL] HARRY J. ZINK,
Secretary.

[FR Doc.71-7715 Filed 6-2-71;8:51 am]

CIVIL SERVICE COMMISSION

DEPARTMENT OF COMMERCE

Notice of Revocation of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission revokes the authority of the Department of Commerce to fill by noncareer executive assignment in the excepted service the position of Deputy Assistant Director for Business Opportunities, Office of Minority Business Enterprise.

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.71-7654 Filed 6-2-71;8:46 am]

⁴Appendix A filed as part of the original document.

⁵Dissenting statement issued jointly by Members Minetti and Murphy filed as part of original document.

DEPARTMENT OF DEFENSE

Notice of Grant of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of Defense to fill by noncareer executive assignment in the excepted service the position of Deputy Director of Defense Research and Engineering (Test & Evaluation), Office of the Secretary of Defense.

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.71-7649 Filed 6-2-71;8:45 am]

DEPARTMENT OF DEFENSE

Notice of Grant of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of Defense to fill by noncareer executive assignment in the excepted service the position of Principal Deputy Director, Office of Ocean Affairs.

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.71-7650 Filed 6-2-71;8:46 am]

DEPARTMENT OF JUSTICE

Notice of Grant of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of Justice to fill by noncareer executive assignment in the excepted service the position of Deputy Director of Policy Planning, Antitrust Division.

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc. 71-7651 Filed 6-2-71;8:46 am]

DEPARTMENT OF THE NAVY

Notice of Revocation of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission revokes the authority of the Department of the Navy to fill by noncareer executive assignment in the excepted service the position of Special Assistant to the Secretary of the Navy.

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.71-7653 Filed 6-2-71;8:46 am]

DEPARTMENT OF THE TREASURY

Notice of Grant of Authority To Make Noncareer Executive Assignment

Under authority of § 9.20 of Civil Service Rule IX (5 CFR 9.20), the Civil Service Commission authorizes the Department of the Treasury to fill by noncareer executive assignment in the excepted service the position of Deputy Assistant Secretary for Economic Policy, Office of the Under Secretary for Monetary Affairs.

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] JAMES C. SPRY,
Executive Assistant to the Commissioners.

[FR Doc.71-7652 Filed 6-2-71;8:46 am]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 19248; FCC 71-535]

NEWSVISION CO. (WFTT)

Order Designating Application for Oral Argument on Stated Issue

In regard application of Kenneth M. Cooper, General Partner, and Edwin B. Laughlin, James K. Patrick, Jr., John H. Staah, II, and Arthur R. Bell, Limited Partners; doing business as Newsvision Co. (WFTT), Bridgeport, Conn.; license to cover construction permit; Docket No. 19248, File No. BLCT-1717.

1. The Commission has before it the request of Newsvision Co. (Newsvision) for reinstatement of the construction permit, call sign and application for license of television broadcast Station WFTT, Channel 43, Bridgeport, Conn.

2. Newsvision completed the construction of Station WFTT and filed the present license application (BLCT-1717) on September 20, 1967. Program test authority was awarded the station on September 26, 1967, but it has yet to commence broadcasting. Newsvision claimed that it could not begin operations until the Commission acted upon a request filed in conjunction with its license application which sought a waiver of § 73.651(c) of the Commission's rules so as to allow Station WFTT to carry non-integrated audiovisual transmissions. However, in response to our request for updated information dated July 13, 1970, Newsvision stated that it was no longer interested in obtaining such a waiver and instead intended to assign its construction permit to Limotharo, Inc.¹ After the lapse of several months during which no assignment application was filed, it became evident that this assignment would not be completed, and accordingly, the Chief of the Broadcast Bureau, acting pursuant to delegated authority,² dis-

¹A contract for the sale of station WFTT dated Oct. 9, 1969, and amended Jan. 10, 1970, has been filed with the Commission.

²Section 0.281(n) of the Commission's rules.

missed Newsvision's license application for failure to prosecute under § 1.568(b) of the Commission's rules, and canceled the WFTT construction permit and deleted the call sign.

3. Newsvision requested and was granted a stay of action for 90 days in order to negotiate an assignment of its construction permit to the University of Bridgeport, but it was unable to complete this proposal either, and on February 16, 1971, it filed the present request for reinstatement of its construction permit, call sign, and license application, and asked to participate in a hearing concerning the basis for the dismissal of its license application.

4. *Accordingly, it is ordered*, That the construction permit, call sign, and license application (BLCT-1717) of television broadcast Station WFTT, Channel 43, Bridgeport, Conn., are reinstated.

5. *It is further ordered*, That the application (BLCT-1717) of the Newsvision Co. for a license to cover television broadcast Station WFTT, Channel 43, Bridgeport, Conn., is designated for oral argument before the Review Board in Washington, D.C., at a time and place to be specified in a subsequent order, upon the following issue: To determine whether the failure of the Newsvision Co. to commence operation of Station WFTT for over 3 years after receiving a grant of program test authority, constitutes a failure to prosecute within the meaning of § 1.568(b) of the Commission's rules, and if so, whether the station's license application should be dismissed.

6. *It is further ordered*, That to avail itself of the opportunity to be heard, Newsvision Co., in person, or by attorney, shall within ten (10) days of the mailing of this order, file with the Commission an original and nineteen (19) copies of a written appearance stating an intention to appear on the date fixed for the oral argument and present arguments on the issue specified and shall have until May 28, 1971, to file briefs or memoranda of law.

Adopted: May 19, 1971.

Released: May 26, 1971.

FEDERAL COMMUNICATIONS
COMMISSION,²

[SEAL] BEN F. WAPLE,
Secretary.

[FR Doc.71-7713 Filed 6-2-71; 8:51 am]

FEDERAL MARITIME COMMISSION

AUSTRALIA/U.S. ATLANTIC AND GULF CONFERENCE

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

* Commissioners Bartley and Robert E. Lee absent.

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1202; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Mr. E. F. Beardon, Australia/U.S. Atlantic and Gulf Conference, 17 Battery Place, New York, NY 10004.

Agreement No. 9450-5 between the member lines of the Australia/U.S. Atlantic and Gulf Conference amends Article 4 of the basic agreement, as amended, to provide for the implementation of the concept of centralization by permitting the Conference to adopt rules authorizing the parties to (1) "at their own expense receive at one loading port and transship or transport such cargo by any means to another loading port," and (2) "equalize a shippers cost of delivering cargo to loading ports."

Dated: May 28, 1971.

By order of the Federal Maritime Commission.

JOSEPH C. POLKING,
Assistant to the Secretary.

[FR Doc.71-7717 Filed 6-2-71; 8:51 am]

FARRELL LINES, INC., AND MOORE-McCORMACK LINES, INC.

Notice of Agreement Filed

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1405 I Street NW., Room 1202; or may inspect the agreement at the Field Offices located at New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments on such agreements, including requests for hearing,

may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. Any person desiring a hearing on the proposed agreement shall provide a clear and concise statement of the matters upon which they desire to adduce evidence. An allegation of discrimination or unfairness shall be accompanied by a statement describing the discrimination or unfairness with particularity. If a violation of the Act or detriment to the commerce of the United States is alleged, the statement shall set forth with particularity the acts and circumstances said to constitute such violation or detriment to commerce.

A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the statement should indicate that this has been done.

Notice of agreement filed by:

Baldwin Einarson, Esquire, Kirlin, Campbell & Keating, 129 Broadway, New York, NY 10005.

Agreement No. 9950, between Farrell Lines Inc., and Moore-McCormack Lines Inc., provides that the parties may meet from time to time and discuss mail transportation costs, space availability, sailing schedules and related matters and agree as to rates, terms and conditions for carriage of U.S. mail in the trade between U.S. Atlantic and Gulf ports and ports in South and East Africa. Such matters agreed upon shall be used as a basis for discussions with the U.S. Postal Service for the purpose of negotiating rates, terms, and conditions for the carriage of U.S. mail in the aforesaid trade.

Dated: May 27, 1971.

By order of the Federal Maritime Commission.

FRANCIS C. HURNEY,
Secretary.

[FR Doc.71-7716 Filed 6-2-71; 8:51 am]

FEDERAL POWER COMMISSION

[Docket No. G-3732, etc.]

GETTY OIL CO. ET AL

Findings and Order

MAY 24, 1971.

Findings and order after statutory hearing issuing certificates of public convenience and necessity, amending orders issuing certificates, canceling docket number, dismissing applications, permitting and approving abandonment of service, terminating certificates, terminating proceedings, substituting respondents, making successors co-respondent, redesignating proceedings, and accepting related rate schedules and supplements for filing.

Each of the applicants listed herein has filed an application pursuant to section 7 of the Natural Gas Act for a certificate of public convenience and necessity authorizing the sale and delivery of natural

gas in interstate commerce or for permission and approval to abandon service or a petition to amend an order issuing a certificate, all as more fully set forth in the applications and petitions, as supplemented and amended.

Applicants have filed related FPC gas rate schedules or supplements thereto and propose to initiate, abandon, add to or discontinue in part natural gas service in interstate commerce as indicated in the tabulation herein. All sales certificated herein are at rates either equal to or below the ceiling prices established by the Commission's Statement of General Policy No. 61-1, as amended, or involve sales for which permanent certificates have been previously issued; except that initial sales from areas for which area rates have been determined are authorized to be made at or below the applicable area base rates adjusted for quality of the gas, and under the conditions prescribed in the orders determining said rates.

Robert L. Adams, applicant in Docket No. CI63-334, proposes to continue the sale of natural gas heretofore authorized in said docket to be made pursuant to Tenneco Oil Co. (Operator) et al., FPC Gas Rate Schedule No. 18. Said rate schedule will be redesignated as that of Applicant. The present rate under said rate schedule is in effect subject to refund in Docket No. RI70-624. Therefore, applicant will be made a co-respondent in said proceeding and the proceeding will be redesignated accordingly.

Aztec Oil & Gas Co. (Operator) et al., applicant in Docket No. CI64-783, proposes to continue the sale of natural gas heretofore authorized in said docket to be made pursuant to N.A. Steed (Operator) et al., FPC Gas Rate Schedule No. 1. Said rate schedule will be redesignated as that of applicant. The present rate under Steed's rate schedule is in effect subject to refund in Docket No. RI64-566. Therefore, applicant will be made a co-respondent in said proceeding and the proceeding will be redesignated accordingly.

Delcie B. Sanford, applicant in Docket No. CI65-565, proposes to continue the sale of natural gas heretofore authorized in said docket to be made pursuant to John T. Sanford FPC Gas Rate Schedule No. 1. Said rate schedule will be redesignated as that of applicant. The present rate under said rate schedule is in effect subject to refund in Docket No. RI68-575. Therefore, applicant will be substituted in lieu of John T. Sanford as respondent in said proceeding and the proceeding will be redesignated accordingly.

Sun Oil Co., as applicant in Docket No. CI70-468, and Sun Oil Co. (Operator) et al., as applicant in Docket No. CI63-1239, proposes to continue the sales of natural gas heretofore authorized in said dockets to be made pursuant to Southern Minerals Corp. FPC Gas Rate Schedule No. 7 and Southern Minerals Corp. (Operator) et al., FPC Gas Rate Schedule No. 1, respectively. Said rate schedules will be redesignated as those of applicant. The present rates under Southern

Minerals' FPC Gas Rate Schedules Nos. 1 and 7 are in effect subject to refund in Docket No. RI70-679 for sales of casinghead gas and in Docket No. RI70-1655, respectively. Applicant indicates in its certificate applications that it intends to assume Southern Minerals' entire refund obligations. Therefore, applicant will be substituted in lieu of Southern Minerals as respondent in each of the proceedings pending in Dockets Nos. RI70-679 and RI70-1655 and said proceedings will be redesignated accordingly.

W. M. Gallaway, applicant in Docket No. CI71-527, proposes to continue in part the sale of natural gas heretofore authorized in Docket No. CI64-994 to be made pursuant to Tenneco Oil Co. (Operator) et al., FPC Gas Rate Schedule No. 36. The contract comprising said rate schedule will also be accepted for filing as a rate schedule of applicant. The present rate under Tenneco's rate schedule is in effect subject to refund in Docket No. RI69-465. Therefore, applicant will be made a co-respondent in said proceeding and the proceeding will be redesignated accordingly.

Jerome P. McHugh et al., applicants in Docket No. CI71-606, propose to continue in part the sales of natural gas heretofore authorized in Dockets Nos. G-15516 and CI65-534 to be made pursuant to Occidental Petroleum Corp. FPC Gas Rate Schedule No. 1 and Thomas A. Dugan FPC Gas Rate Schedule No. 4. The contract comprising said rate schedules will also be accepted for filing as a rate schedule of applicants. The present rate under Dugan's rate schedule is in effect subject to refund in Docket No. RI69-627. Therefore, applicants will be made co-respondents in said proceeding¹ with respect to sales made from the properties acquired from Dugan and said proceeding will be redesignated accordingly. Applicants indicate in their certificate application that in addition to the refund obligation required by § 154.82(d) (3) of the regulations under the Natural Gas Act, they intend to be responsible for the total refund from the date that the increased rate of their assignor became effective subject to refund.

Houston Oil & Minerals Corp., as applicant in Docket No. CI71-621, and Houston Oil & Minerals Corp. (Operator) et al., as applicant in Docket No. CI71-622, proposes to continue in part the sales of natural gas heretofore authorized in Dockets Nos. G-3075 and G-9465, respectively, to be made pursuant to Humble Oil & Refining Co. FPC Gas Rate Schedule No. 14 and Humble Oil & Refining Co. (Operator) et al., FPC Gas Rate Schedule No. 390, respectively. The contracts comprising said rate schedules will also be designated as rate schedules of applicant. The present rate under Humble's FPC Gas Rate Schedule No. 14, is effective subject to refund in Docket No. RI68-474 and the present rate under Humble's FPC Gas Rate Schedule No. 390 is effective subject to refund in

¹Jerome P. McHugh is presently a co-respondent in Docket No. RI69-627 with respect to sales under another rate schedule.

Docket No. RI68-307. Therefore, applicant will be made co-respondent in said proceedings and the proceeding will be redesignated accordingly.

The Commission's staff has reviewed each application and recommends each action ordered as consistent with all substantive Commission policies and required by the public convenience and necessity.

After due notice by publication in the FEDERAL REGISTER, petitions to intervene and notices of intervention were filed in the following dockets:

Docket No.	Intervenor
G-3732-----	North Shore Gas Co. Natural Gas Pipeline Company of America. The Peoples Gas Light and Coke Co. Illinois Power Co. Iowa-Illinois Gas and Electric Co.
G-9357-----	Natural Gas Pipeline Company of America.
CI68-1060-----	The Public Service Commission of the State of New York.
CI70-415-----	Long Island Lighting Co.
CI70-434-----	Long Island Lighting Co.
CI70-624-----	The Public Service Commission of the State of New York.

The interveners have either withdrawn their objections or support the granting of the applications. No other petitions to intervene, notices of intervention or protests to the granting of the applications have been filed.

At a hearing held on May 17, 1971, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the applications and petitions, as supplemented and amended, and exhibits thereto, submitted in support of the authorizations sought herein, and upon consideration of the record.

The Commission finds:

(1) Each applicant herein is a "natural-gas company" within the meaning of the Natural Gas Act as heretofore found by the Commission or will be engaged in the sale of natural gas in interstate commerce for resale for ultimate public consumption, subject to the jurisdiction of the Commission, and will, therefore, be a "natural-gas company" within the meaning of the Natural Gas Act upon the commencement of service under the authorizations hereinafter granted.

(2) The sales of natural gas hereinbefore described, as more fully described in the applications in this proceeding, will be made in interstate commerce subject to the jurisdiction of the Commission; and such sales by applicants, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, are subject to the requirements of subsections (c) and (e) of section 7 of the Natural Gas Act.

(3) Applicants are able and willing properly to do the acts and to perform the service proposed and to conform to the provisions of the Natural Gas Act and the requirements, rules and regulations of the Commission thereunder.

(4) The sales of natural gas by applicants, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, are required by the public convenience and necessity and certificates therefor should be issued as hereinafter ordered and conditioned.

(5) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Docket No. CI70-1019 should be canceled and the application filed therein should be treated as a petition to amend the certificate heretofore issued in Docket No. CI67-184.

(6) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act and the public convenience and necessity require that the orders issuing certificates of public convenience and necessity in various dockets involved herein should be amended as hereinafter ordered and conditioned.

(7) The sales of natural gas proposed to be abandoned as hereinbefore described and as more fully described in the applications and in the tabulation herein are subject to the requirements of subsection (b) of section 7 of the Natural Gas Act.

(8) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the abandonments of service should be permitted and approved in Dockets Nos. CI64-232, CI67-262, and CI68-970; that the temporary certificates heretofore issued in said dockets should be terminated; and that the certificate applications filed in said dockets should be dismissed.

(9) The abandonments proposed by applicants herein are permitted by the public convenience and necessity and should be approved as hereinafter ordered.

(10) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the certificates heretofore issued to applicants relating to the abandonments hereinafter permitted and approved should be terminated or that the orders issuing said certificates should be amended by deleting therefrom authorization to sell natural gas from the subject acreage.

(11) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the rate suspension proceeding pending in Docket No. RI71-700 should be terminated only with respect to sales made pursuant to Humble Oil & Refining Co. FPC Gas Rate Schedule No. 405.

(12) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the rate suspension proceeding pending in Docket No. RI65-128 should be terminated.

(13) It is necessary and appropriate in carrying out provisions of the Natural Gas Act that Robert L. Adams should be made a co-respondent in the proceeding pending in Docket No. RI70-624 and that said proceeding should be redesignated accordingly.

(14) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Aztec Oil & Gas Co.

(Operator) et al., should be made a co-respondent in the proceeding pending in Docket No. RI64-566 and that said proceeding should be redesignated accordingly.

(15) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Delcie B. Sanford should be substituted in lieu of John T. Sanford as respondent in the proceeding pending in Docket No. RI68-575 and that said proceeding should be redesignated accordingly.

(16) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Sun Oil Co. (Operator) et al., should be substituted in lieu of Southern Minerals Corp. (Operator) et al., as respondent in the proceeding pending in Docket No. RI70-579; that Sun Oil Co. should be substituted in lieu of Southern Minerals Corp. as respondent in the proceeding pending in Docket No. RI70-1655; and that said proceedings should be redesignated accordingly.

(17) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that W. M. Gallaway should be made a co-respondent in the proceeding pending in Docket No. RI69-465 and that said proceeding should be redesignated accordingly.

(18) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Jerome P. McHugh et al., should be made co-respondents in the proceeding pending in Docket No. RI69-627 and that said proceeding should be redesignated accordingly.

(19) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that Houston Oil & Minerals Corp. should be made a co-respondent in the proceeding pending in Docket No. RI68-474; that Houston Oil & Minerals Corp. (Operator) et al., should be made a co-respondent in the proceeding pending in Docket No. RI68-407; and that said proceedings should be redesignated accordingly.

(20) It is necessary and appropriate in carrying out the provisions of the Natural Gas Act that the FPC gas rate schedules and supplements related to the authorizations hereinafter granted should be accepted for filing.

The Commission orders:

(A) Certificates of public convenience and necessity are issued upon the terms and conditions of this order authorizing sales by applicants of natural gas in interstate commerce for resale, together with the construction and operation of any facilities subject to the jurisdiction of the Commission necessary therefor, all as hereinbefore described and as more fully described in the applications and in the tabulation herein.

(B) The certificates granted in paragraph (A) above are not transferable and shall be effective only so long as applicants continue the acts or operations hereby authorized in accordance with the provisions of the Natural Gas Act and the applicable rules, regulations and orders of the Commission.

(C) The grant of the certificates issued in paragraph (A) above shall not be construed as a waiver of the requirements of section 7 of the Natural Gas Act or of Part 154 or Part 157 of the Commission's regulations thereunder and is without prejudice to any findings or orders which have been or which may hereafter be made by the Commission in any proceedings now pending or hereafter instituted by or against applicants. Further, our action in this proceeding shall not foreclose nor prejudice any future proceedings or objections relating to the operation of any price or related provisions in the gas purchase contracts herein involved. Nor shall the grant of the certificates aforesaid for service to the particular customers involved imply approval of all of the terms of the contracts, particularly as to the cessation of service upon termination of said contracts as provided by section 7(b) of the Natural Gas Act. The grant of the certificates aforesaid shall not be construed to preclude the imposition of any sanctions pursuant to the provisions of the Natural Gas Act for the unauthorized commencement of any sales of natural gas subject to said certificates.

(D) The certificates issued herein and the amended certificates are subject to the following conditions:

(a) The rates for sales authorized in Dockets Nos. CI61-1429, CI67-184, CI71-366, CI71-386, CI71-387, CI71-462, CI71-588, CI71-610, and CI71-628 shall be the applicable area base rates prescribed in Opinion No. 468, as modified by Opinion No. 368-A, and Opinion No. 586, whichever are applicable, as adjusted for quality of gas, or the contract rates, whichever are lower.

(b) If the quality of the gas delivered by applicants in Dockets Nos. CI61-1429, CI67-184, CI71-366, CI71-387, CI71-462, CI71-588, CI71-610, and CI71-628 deviates at any time from the quality standards set forth in Opinion No. 468, as modified by Opinion No. 468-A, and Opinion No. 586, whichever are applicable, so as to require a downward adjustment of the existing rates, notices of changes in rates shall be filed pursuant to section 4 of the Natural Gas Act: *Provided, however*, That adjustments reflecting changes in B.t.u. content of the gas shall be computed by the applicable formula and charged without the filing of notices of changes in rates.

(c) Within 90 days from the date of initial delivery applicant in Docket No. CI71-387 shall file three copies of a rate schedule quality statement in the form prescribed in Opinion No. 586.

(d) Within 90 days from the date of this order applicant in Docket No. CI71-462 shall file three copies of a rate schedule quality statement in the form prescribed in Opinion No. 586.

(e) Within 90 days from the date of initial delivery applicant in Docket No. CI61-1429 shall file three copies of a rate schedule quality statement in the form prescribed in Opinion No. 468-A.

(f) The authorizations granted in Dockets Nos. CI71-386 and CI71-610 are conditioned upon any determination

which may be made in the proceeding pending in Docket No. R-338 with respect to the transportation of liquefiable hydrocarbons.

(g) The authorization granted in Docket No. G-8347 is conditioned to an initial rate of 18.1553 cents per Mcf at 14.65 p.s.i.a., subject to B.t.u. adjustment as provided by Opinion No. 468, as modified by Opinion No. 468-A, and subject to prospective modification upon determination of just and reasonable rates in the proceeding pending in Docket No. AR70-1. Within 90 days from the date of initial delivery applicant shall file three copies of a rate schedule quality statement in the form prescribed in Opinion No. 468-A.

(h) The rate for the sale authorized in Docket No. CI71-542 shall be 17.58 cents per Mcf at 14.65 p.s.i.a., subject to B.t.u. adjustment as provided by Opinion No. 468, as modified by Opinion No. 468-A, and subject to prospective modification upon determination of just and reasonable rates in the proceeding pending in Docket No. AR70-1.

(i) The rates for the sale authorized in Docket No. CI71-605 shall be 22 cents per Mcf at 14.65 p.s.i.a. (gas-well gas) and 16 cents per Mcf at 14.65 p.s.i.a. (casinghead gas), subject to B.t.u. adjustment as provided by Opinion No. 468, as modified by Opinion No. 468-A, and subject to prospective modification upon determination of just and reasonable rates in the proceeding pending in Docket No. AR70-1.

(j) The rate for the sale authorized in Docket No. CI71-649 shall be 19 cents per Mcf at 14.65 p.s.i.a., subject to B.t.u. adjustment as provided by Opinion No. 468, as modified by Opinion No. 468-A, and subject to prospective modification upon determination of just and reasonable rates in the proceeding pending in Docket No. AR70-1.

(k) The rate for the sale authorized in Docket No. G-3732 shall be 16.73 cents per Mcf at 14.65 p.s.i.a., subject to refund in Docket No. RI70-1454.

(l) The rate for the sale authorized in Docket No. G-9357 shall be 16.7338 cents per Mcf at 14.65 p.s.i.a., subject to refund in Docket No. RI70-590, for increased volumes resulting from the reduction in cycling; and 16 cents per Mcf at 14.65 p.s.i.a. for increased volumes resulting from applicant's part in the 12,000 Mcf per day previously sold in the intrastate market.

(m) The rate for the sale authorized in Docket No. G-11818 shall be 16.72945 cents per Mcf at 14.65 p.s.i.a., subject to refund in Docket No. RI69-300.

(n) In Dockets Nos. G-3732, G-9357, and G-11818 the provision contained in Article XIV of the contract amendment providing for rate increases to a higher area ceiling rate will only be applicable upon Commission approval of just and reasonable rates in an applicable area rate proceeding.

(o) Applicant in Docket No. CI66-1060 shall charge and collect the rate of 18.5 cents per Mcf at 15.025 p.s.i.a. for sales from September 1, 1970, through January 9, 1971, and the rate of 21.75

cents per Mcf at 15.025 p.s.i.a., subject to refund in Docket No. RI71-742, for sales from January 10, 1971.

(p) The rate for the sales authorized in Dockets Nos. CI70-415 and CI70-434 shall be 17.35 cents per Mcf at 15.025 p.s.i.a., including tax reimbursement.

(q) The rate for the sale authorized in Docket No. CI70-624 shall be 17 cents per Mcf at 14.65 p.s.i.a.

(r) The rate for the sale authorized in Docket No. CI71-581 shall be 22 cents per Mcf at 14.65 p.s.i.a.

(E) The orders issuing certificates in Dockets Nos. G-3732, G-9357 and G-11818 are amended to provide for the sales of increased volumes of gas.

(F) The orders issuing certificates in Dockets Nos. G-8347, CI61-1307, CI61-1429, CI63-886, CI66-1060, and CI67-184 are amended by adding thereto or deleting therefrom authorization to sell natural gas as described in the tabulation herein.

(G) The orders issuing certificates in Dockets Nos. CI63-334, CI63-1239, CI64-783, CI65-565, CI66-423, CI67-1850, and CI70-468 are amended to reflect the successors in interest as certificate holders as described in the tabulation herein.

(H) The orders issuing certificates in the following dockets are amended to reflect the deletion of acreage where new certificates are issued herein or existing certificates are amended herein to authorize service from the subject acreage:

Amend to delete acreage	New certificate and/or amendment to add acreage
G-3075	CI71-621
G-9465	CI71-622
G-13416	CI71-462
G-15404	CI66-1060
G-15516	CI71-606
CI61-1553	CI67-184
CI61-1557	CI67-184
CI61-1693	CI67-184
CI64-994	CI71-527
CI65-534	CI71-606
CI67-48	CI71-366
CI67-1693	CI71-588
CI70-520	CI71-610

(I) The order issuing certificate in Docket No. CI62-872 is amended to reflect the change in operator as described in the tabulation herein.

(J) The order issuing certificate in Docket No. CI67-248 is amended by authorizing the gathering and compression of gas for Bodcaw Co. as described in the tabulation herein.

(K) The temporary certificate heretofore issued in Docket No. CI70-655 is amended to include the interests of additional parties as described in the tabulation herein.

(L) Docket No. CI70-1019 is canceled.

(M) Permission for and approval of the abandonments of service by applicants, as hereinbefore described, all as more fully described in the applications and in the tabulation herein are granted.

(N) Permission for and approval of the abandonments in Dockets Nos. CI64-232, CI67-262 and CI68-970 are granted; the temporary certificates heretofore issued in said dockets are terminated; and

the certificate applications filed in said dockets are dismissed.

(O) Permission for and approval of the abandonment of service in the following dockets shall not be construed to relieve applicants of any refund obligations in the following proceedings:

Abandonment docket:	Refund docket
CI64-232	CI64-232.
CI67-262	CI67-262.
CI68-970	RI70-1184.
CI71-529	RI70-1184.
CI71-587	RI65-599.
CI71-601	CI60-237.
CI71-614	CI65-346.
CI71-625	RI64-317 and CI60-8.

(P) The certificate heretofore issued in Docket No. CI63-431 is terminated only with respect to sales made pursuant to Freddie Morgan Field, Administratrix (Operator) et al., FPC Gas Rate Schedule No. 1.

(Q) The certificates heretofore issued in Docket Nos. G-7201, G-19012, CI60-8, CI60-237, CI61-514, CI62-465, CI65-346 and CI70-235 are terminated.

(R) The rate proceeding pending in Docket No. RI71-700 is terminated only with respect to sales made pursuant to Humble Oil & Refining Co. FPC Gas Rate Schedule No. 405.

(S) The rate proceeding pending in Docket No. RI65-128 is terminated.

(T) Robert L. Adams is made a co-respondent in the proceeding pending in Docket No. RI70-624 and said proceeding is redesignated accordingly. Robert L. Adams shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(U) Aztec Oil & Gas Co. (Operator) et al., is made a co-respondent in the proceeding pending in Docket No. RI64-566 and said proceeding is redesignated accordingly. Aztec shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(V) Delcie B. Sanford is substituted in lieu of John T. Sanford as respondent in the proceeding pending in Docket No. RI68-575 and said proceeding is redesignated accordingly. She shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(W) Sun Oil Co. (Operator) et al., is substituted in lieu of Southern Minerals Corp. (Operator) et al., as respondent in the proceeding pending in Docket No. RI70-679; Sun Oil Co. is substituted in lieu of Southern Minerals Corp. as respondent in the proceeding pending in Docket No. RI70-1655; and said proceedings are redesignated accordingly. Sun shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(X) W. M. Gallaway is made a co-respondent in the proceeding pending in Docket No. RI69-465 and said proceeding is redesignated accordingly. W. M. Gallaway shall comply with the refunding procedure required by the Natural

Gas Act and § 154.102 of the regulations thereunder.

(Y) Jerome P. McHugh et al., are made co-respondents in the proceeding pending in Docket No. R169-627 and said proceeding is redesignated accordingly. They shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(Z) Houston Oil & Minerals Corp. is made a co-respondent in the proceeding pending in Docket No. R168-474; Houston Oil & Minerals Corp. (Operator) et al., is made a co-respondent in the proceeding pending in Docket No. R168-307; and said proceedings are redesignated accordingly. Houston shall comply with the refunding procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder.

(AA) The rate schedules and rate schedule supplements related to the authorizations granted herein are accepted for filing or are redesignated, all as described in the tabulation herein.

By the Commission.

[SEAL] KENNETH F. PLUMB,

Acting Secretary.

Docket No. and date filed	Applicant	Purchaser and location	FPO gas rate schedule	No.	Supp.
G-3722-2-28-71	Getty Oil Co.	Natural Gas Pipeline Co. of America, La Gloria Field, Jim Wells, and Brooks Counties, Tex.	Amendment 7-13-70 ¹	6	13
G-8347-11-2-70	Humble Oil & Refining Co. (Operator) et al.	El Paso Natural Gas Co., Snyder Plant, Scurry County, Tex.	Supplemental agreement 10-12-70 ¹	229	14
G-6337-2-28-71	Moncanto Co. et al.	Natural Gas Pipeline Co. of America, La Gloria Field, Jim Wells, and Brooks Counties, Tex.	Amendment 7-13-70 ¹	64	14
G-11819-12-21-70	Marathon Oil Co.	El Paso Natural Gas Co., Hacienda Gallun Field, San Juan County, N. Mex.	Amendment 7-13-70 ¹	13	11
O161-1307-2-2-71	Amoco Production Co.	El Paso Natural Gas Co., Hacienda Gallun Field, San Juan County, N. Mex.	Amendatory agreement 11-23-70 ¹	232	8
O161-1423-3-1-71	Texas Pacific Oil Co., Inc.	El Paso Natural Gas Co., Langley Mattox Field, Lea County, N. Mex.	Supplemental agreement 1-11-71 ¹	1	5
O162-572-E 12-17-70 as amended 1-22-71	Mallard Exploration, Inc. (Operator), et al. (successor to Mallard Petroleum, Inc. (Operator) et al.)	Transwestern Pipeline Co., Atoka Field, Eddy County, N. Mex.	Mallard Petroleum, Inc. (Operator) et al., FPO GRS No. 2, Supplemental Nos. 1-4-70, Notice of succession 12-15-70	1	1-4
O163-334-E 7-13-70	Robert L. Adams (successor to Teneo Oil Co. (Operator) et al.)	South Texas Natural Gas Gathering Co., Ycary Field, Kleberg County, Tex.	Letter agreement 2-9-70, Effective date: 3-1-70 ¹ , Teneo Oil Co. (Operator) et al., FPO GRS No. 18, Supplemental Nos. 1-2-70, Notice of succession (Undated)	1	5
O163-889-D 3-5-71	General American Oil Co. of Texas (Operator) et al.	Transcontinental Gas Pipeline Corp., South-east Rayne Field, La Fayette Parish, La.	Assignment, Effective date: 12-1-69, Notice of partial cancellation 3-1-71 ¹	1	3
O163-1293-E 1-8-71	Sun Oil Co. (Operator) et al. (successor to Southern Minerals Corp. (Operator) et al.)	Northern Natural Gas Co., North Pickett Eilenburger Field, Pecos County, Tex.	Southern Minerals Corp. (Operator) et al., FPO GRS No. 1, Supplemental Nos. 1-4-70, Notice of succession 10-29-70 ¹ , Effective date: 11-1-70	457	1-4

Docket No. and date filed	Applicant	Purchaser and location	FPO gas rate schedule	No.	Supp.
O164-232-B 1-10-71	Exchange Oil & Gas Corp.	Texas Gas Transmission Corp., Perry Field, Vermilion Parish, La.	Notice of cancellation 1-10-71 ¹	1	5
O164-783-E 2-10-71	Aztec Oil & Gas Co. (Operator) et al. (successor to N. A. Steed (Operator) et al.)	El Paso Natural Gas Co., Mesa Verde Field, San Juan County, N. Mex.	N. A. Steed (Operator) et al., FPO GRS No. 1, Supplemental Nos. 1-6-70, Notice of succession 2-8-71, Assignment 1-10-71 ¹ , Assignment 1-10-71 ¹ , Effective date: 1-10-71	35	35
O165-505-E 12-14-70	Deleto B. Sanford (successor to John T. Sanford)	Cities Service Gas Co., South Hominy Field, Osage County, Okla.	John T. Sanford, FPO GRS No. 1, Supplemental No. 1, Notice of succession 12-10-70 ¹ , Effective date: 10-8-70 ¹	1	1
O166-423-E 3-5-71	Elliott A. Riggs (successor to North American Resources Corp.)	El Paso Natural Gas Co., Aztec Fruitland Field, San Juan County, N. Mex.	Notice of succession 2-20-71, Supplement No. 1, Assignment 3-25-70 ¹ , Effective date: 12-1-69, Assignment 10-20-70 ² , Effective date: 9-1-70	2	2
O166-1060-G 1-11-71	River Corp.	Southern Natural Gas Co., Coquille Bay Field, Plaquemines Parish, La.	Letter agreement 9-19-70 ¹ , Assignment 12-4-69 ¹ , Assignment 12-22-69 ¹ , Assignment 2-27-70 ¹ , Assignment 8-31-70 ¹ , Assignment 8-31-70 ¹ , Assignment 8-31-70 ¹ , Notice of partial succession (Undated)	14	14
O167-248-11-12-69	Beacon Gasoline Co.	Beckway Co., acreage in Webster Parish, La.	Contract 10-20-69, Gathering agreement 10-22-69, Transcript agreement 10-22-69, Letter agreement 10-22-69, Notice of cancellation 3-4-71 ¹	17	17
O167-2524-B 3-8-71	Humble Oil & Refining Co.	Michigan Wisconsin Pipeline Co., Savoy Field, St. Landry Parish, La.	Charles B. Read (Operator) et al., FPO GRS No. 2, Supplemental Nos. 1-7-70, Notice of succession 1-20-71, Assignment 12-31-70 ¹ , Effective date: 1-1-71, Notice of cancellation 1-11-71 ¹	1	1-7
O167-1529-E 2-4-71	Read & Stevens, Inc. (Operator), et al. (successor to Charles B. Read (Operator) et al.)	Transwestern Pipeline Co., Atoka (Pennsylvania) Field, Eddy County, N. Mex.	Assignment 12-31-70 ¹ , Effective date: 1-1-71, Notice of cancellation 1-11-71 ¹	1	8
O168-570-B 1-11-71	Forest Oil Corp. (Operator) et al.	United Gas Pipe Line Co., West Dallas Huckley Field, Deo and Goffland Counties, Tex.	Contract 10-21-69, Letter 10-21-69, Compliance 2-4-70 ¹	41	3
O170-415-A 10-27-69	Redcan Co.	Texas Gas Transmission Corp., Walker Creek Field, Lafayette and Columbia Counties, Ark.	Contract 10-21-69, Letter 10-21-69, Compliance 2-4-70 ¹	6	2
O170-431-A 10-30-69	do.	Texas Gas Transmission Corp., Welcome Field, Columbia County, Ark.	Contract 10-21-69, Letter 10-21-69, Compliance 2-4-70 ¹	7	2
O170-693-E 1-8-71	Sun Oil Co. (successor to Southern Minerals Corp.)	Tennessee Gas Pipeline Co., a division of Tennessee Inc., Zim Field, Zapata County, Tex.	Southern Minerals Corp., FPO GRS No. 7, Supplemental Nos. 1-2-70, Notice of succession 10-1-70 ¹ , Effective date: 1-1-71, Contract 12-1-69 ¹ , Compliance 5-18-70 ¹	459	1-2
O170-624-A 1-9-70	Anadarko Production Co.	Texas Eastern Transmission Co., Skull Creek Field, Colorado County, Tex.	Contract 12-1-69 ¹ , Compliance 5-18-70 ¹	159	1

- ²² Conveys interest from LVO Corp. (formerly Livingston Oil Co.) to applicant (previously dedicated under LVO's FPC GRS No. 1).
- ²³ Conveys interest from The Superior Oil Co. to applicant (previously undedicated acreage).
- ²⁴ Conveys interest from Sohio Petroleum Co. to applicant (previously undedicated acreage).
- ²⁵ Conveys interest from LVO Corp. to applicant (includes certain acreage previously dedicated under LVO's FPC GRS Nos. 1, 4, and 6, plus certain previously undedicated acreage).
- ²⁶ Conveys interest from Sun Oil Co. to applicant (previously undedicated acreage).
- ²⁷ Conveys interest from Sun Oil Co. to applicant (previously undedicated acreage).
- ²⁸ Includes letter agreement dated Aug. 5, 1969, between LVO Corp. and Sun Oil Co. and assignment dated Dec. 1, 1969, conveying interest from LVO Corp. to Sun Oil Co. and Big Chief Drilling Co.
- ²⁹ Applicant requests authorization to gather and compress the subject gas. Applicant will gather the gas, process and compress the gas in its Webster Parish Plant and deliver such gas to Texas Gas Transmission Corp. under FPC gas rate schedules of Bodecaw Co. Bodecaw's sales to Texas Gas Transmission Corp. are authorized in Dockets Nos. C170-415 and C170-434.
- ³⁰ Application erroneously noticed Mar. 29, 1971 in Docket No. G-2384 et al., as a partial abandonment.
- ³¹ Rate of 23.739 cents per Mcf was made effective Jan. 10, 1970 subject to refund in Docket No. R171-100. No monies were ever collected thereunder, therefore, the rate suspension proceeding pending in Docket No. R171-100 will be terminated insofar as it pertains to applicant's FPC GRS No. 405.
- ³² From Charles B. Read (Operator) et al., to Read & Stevens, Inc. (Operator), et al.
- ³³ Complies with temporary certificate issued Jan. 28, 1970. Applicant states willingness to accept a permanent certificate conditioned to an initial rate of 17.35 cents per Mcf.
- ³⁴ Complies with temporary certificate issued Apr. 27, 1970. Applicant states its willingness to accept permanent certificate at a rate of 17 cents per Mcf.
- ³⁵ Amendment to application filed to cover interest of co-owners.
- ³⁶ Between Miss-Tex Oil Producers and Southern Natural ratifying basic contract.
- ³⁷ Between Central Oil Co. and Southern Natural ratifying basic contract.
- ³⁸ Between King Resources Co. and Southern Natural ratifying basic contract.
- ³⁹ On file as Texas Oil & Gas Corp. FPC GRS No. 48.
- ⁴⁰ Conveys interest from Texas Oil & Gas Corp. to Jack L. Waldrep.
- ⁴¹ Conveys interest from Jack L. Waldrep to R. T. Goldberg and H. F. Smith.
- ⁴² Conveys interest from R. T. Goldberg and H. F. Smith to Robert Metzger.
- ⁴³ Conveys interest from J. Robert Metzger to R. T. Goldberg and H. F. Smith.
- ⁴⁴ By letter filed Feb. 26, 1971, applicant advised willingness to accept permanent certificate at a rate of 29 cents per Mcf and conditioned to R-338.
- ⁴⁵ On file as Skelly Oil Co. FPC GRS No. 119.
- ⁴⁶ From Skelly Oil Co. to applicant.
- ⁴⁷ Between The Bay Petroleum Corp., a subsidiary of Tennessee Gas Transmission Co. (now Tennessee Oil Co.), and El Paso Natural Gas Co.; on file as Tennessee Oil Co. (Operator) et al., FPC GRS No. 51.
- ⁴⁸ From Tennessee Oil Co. and Big Chief Drilling Co. to W. M. Galloway.
- ⁴⁹ Rate of 17.8668 cents per Mcf in effect subject to refund in Docket No. R170-1184.
- ⁵⁰ Applicant has agreed to accept certificate conditioned to 22 cents per Mcf at 14.65 p.s.i.a.
- ⁵¹ Rate of 12 cents per Mcf in effect subject to refund in Docket No. R165-539.
- ⁵² From Union Texas Petroleum, a division of Allied Chemical Corp. to applicant.
- ⁵³ Other sales covered under the certificate in Docket No. C163-431; therefore, the certificate in said docket will be terminated only with respect to applicant's FPC GRS No. 1.
- ⁵⁴ On file as Occidental Petroleum Corp. FPC GRS No. 1 and Thomas A. Dugan FPC GRS No. 4.
- ⁵⁵ Changes buyer to El Paso Natural Gas Co.
- ⁵⁶ From Dugan to Nassau Resources, Inc. Also includes acreage that Occidental assigned to Dugan, but Dugan never sought certificate authorization covering subject acreage.
- ⁵⁷ From Nassau Resources, Inc., to Jerome P. McHugh et al.
- ⁵⁸ On file as Nichols Drilling Co. et al., FPC GRS No. 1.
- ⁵⁹ Conveys interest from Nichols to applicant (Stranathan Unit).
- ⁶⁰ Conveys interest from Nichols to applicant (Hickie Unit).
- ⁶¹ Conveys interest from Adamans to applicant (Christensen Unit).
- ⁶² Between Humble Oil & Refining Co. and Texas Eastern Transmission Corp. On file as Humble Oil & Refining Co. FPC GRS No. 14.
- ⁶³ Assigns acreage from Humble Oil & Refining Co. to Houston Oil & Minerals Corp. to a depth 100' below 7,500' Wilcox Sand.
- ⁶⁴ No certificate filing made or necessary; rate filing submitted.
- ⁶⁵ Assigns acreage from Humble Oil & Refining Co. (FPC GRS No. 14) to Houston Oil & Minerals Corp.
- ⁶⁶ Between R. O. Magnum et al., and Texas Eastern Transmission Corp. On file as Humble Oil & Refining Co. (Operator) et al., FPC GRS No. 390.
- ⁶⁷ Assigns acreage from Humble Oil & Refining Co. to Houston Oil & Minerals Corp. to a depth 100' below 7,500' Wilcox Sand.
- ⁶⁸ Assigns acreage from Humble Oil & Refining Co. (FPC GRS No. 390) to Houston Oil & Minerals Corp.
- ⁶⁹ Application erroneously filed in Docket No. C163-836.
- ⁷⁰ Rate of 23.8 cents per Mcf in effect subject to refund in Docket No. R164-317.
- ⁷¹ Rate of 7.2 cents per Mcf being collected subject to refund in Docket No. R165-123.

[FR Doc.71-7529 Filed 6-2-71;8:45 am]

NATIONAL GAS SURVEY EXECUTIVE ADVISORY COMMITTEE

Order Designating Member

MAY 26, 1971.

The Federal Power Commission by orders issued April 6, 1971, established an Executive Advisory Committee of the National Gas Survey.

1. **Membership.** Mr. Denis B. Kembell-Cook, by letter dated May 7, 1971, resigned his membership in the Executive Advisory Committee. A new member to the Executive Advisory Committee, as selected by the Chairman of the Commission with the approval of the Commission, is as follows:

Harry Bridges, President, Shell Oil Co.

By the Commission.

[SEAL] KENNETH F. PLUMB,
Acting Secretary.

[FR Doc.71-7718 Filed 6-2-71;8:51 am]

FEDERAL RESERVE SYSTEM

HEARTLAND, CENTRAL N.Y. CORP.

Notice of Application for Approval of Acquisition of Shares of Banks

Notice is hereby given that application has been made, pursuant to section 3(a)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)(1)), by Heartland, Central N.Y. Corp., Albany, N.Y., for prior approval by the Board of Governors of action whereby applicant would become a bank holding company through the acquisition of 100 percent of the voting shares (less directors' qualifying shares) of the successor by merger to National Commercial Bank and Trust Co., Albany, N.Y., and 100 percent of the voting shares of First Trust & Deposit Company, Syracuse, N.Y.

Section 3(c) of the Act provides that the Board shall not approve:

(1) Any acquisition or merger or consolidation under section 3 which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to

monopolize the business of banking in any part of the United States, or

(2) Any other proposed acquisition or merger or consolidation under section 3 whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint of trade, unless the Board finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

Section 3(c) further provides that, in every case, the Board shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served.

Not later than thirty (30) days after the publication of this notice in the FEDERAL REGISTER, comments and views regarding the proposed acquisition may be filed with the Board. Communications should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. The application may be inspected at the office of the Board of Governors or the Federal Reserve Bank of New York.

By order of the Board of Governors,
May 25, 1971.

[SEAL] KENNETH A. KENYON,
Deputy Secretary.

[FR Doc.71-7655 Filed 6-2-71;8:46 am]

INTERSTATE COMMERCE COMMISSION

McKEE LINES, INC., ET AL.

Assignment of Hearings

MAY 28, 1971.

Cases assigned for hearing, postponement, cancellation, or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

MC-129307 Sub 41, McKee Lines, Inc., assigned June 7, 1971, at Kansas City, Mo., canceled and application dismissed.

MC-C-7287 et al., Azacon Auto Transport, Inc.—Investigation & Revocation of Certificate, Assigned July 12, New York, transferred to Room C-2200-2204, 26 Federal Plaza, instead of Room 2705.

MC 14321 Sub 7, Engel Brothers, Inc., assigned June 7, 1971, at New York, N.Y., will be held at the Marlborough Plaza Hotel, 106 Central Park, South instead of Room 2705, New Federal Building, 26 Federal Plaza.

I & S No. 8625, Passenger Fares Between Pennsylvania and Delaware, assigned June 7, 1971, at Philadelphia, Pa., canceled.

MC-F-10960, Briggs Transportation Co.—Purchase (Portion)—Ringsby Truck Lines, Inc., assigned July 19, 1971, at Denver, Colo., in Room 571, Federal Building and Courthouse.

MC 52709 Sub 313, Ringsby Truck Lines, Inc., assigned July 19, 1971, at Denver, Colo., in Room 571, Federal Building and Courthouse.

MC-51146 Sub 184, Schnelder Transport & Storage, Inc., assigned July 22, 1971, Chicago, postponed indefinitely.

MC 113495 Sub 47, Gregory Heavy Haulers, Inc., assigned July 7, 1971, for continued hearing, at Washington, D.C., at the Offices of the Interstate Commerce Commission.

MC-F-10840, Western Transportation Co.—Purchase—Norman McCrimmon, assigned June 22, 1971, for continued hearing, at Washington, D.C., at the Offices of the Interstate Commerce Commission.

MC 113495 Sub 47, Gregory Heavy Haulers, Inc., assigned July 7, 1971, for continued hearing, at Washington, D.C., at the Offices of the Interstate Commerce Commission.

MC 130130, Couzens Warehouse & Distributors, Inc., assigned June 1, 1971, at Chicago, Ill., canceled and reassigned July 12, 1971, at Chicago, Ill., in Room 1086A, Everett McKinley Dirksen Building, 219 South Dearborn Street.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7729 Filed 6-2-71;8:52 am]

[Notice 13]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

MAY 28, 1971.

The following letter-notices of proposals to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules—Motor Carriers of Passengers, 1969 (49 CFR 1042.2(c) (9)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.2(c) (9)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.2(c) (9)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PASSENGERS

No. MC-2908 (Deviation No. 3), CAPITAL MOTOR LINES, 520 North Court Street, Montgomery, AL 36104, filed May 19, 1971. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage*, and *express and newspapers* in the same vehicle with passengers, over a deviation route as follows: From Meridian, Miss., over combined Interstate Highways 20 and 59 to junction U.S. Highway 80 near Kewanee, Miss., and re-

turn over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over a pertinent service route as follows: From Andalusia, Ala., over U.S. Highway 29 (formerly Alabama Highway 9) to Brantley, Ala., thence over U.S. Highway 331 (formerly Alabama Highway 9) to Montgomery, Ala., thence over U.S. Highway 80 (portion formerly unnumbered highway) via Selma and Demopolis, Ala., to junction Alabama Highway 28 (formerly U.S. Highway 80), thence over Alabama Highway 28 to Livingston, Ala., thence over U.S. Highway 11 (formerly U.S. Highway 80) to junction U.S. Highway 80, thence over U.S. Highway 80 to Meridian, Miss. (also from Montgomery, Ala., over U.S. Highway 31 to junction Alabama Highway 14, thence over Alabama Highway 14 via Prattville, Ala., to Selma), and return over the same route.

No. MC-46879 (Deviation No. 1), WALTERS TRANSIT CORP., 525 11th Avenue, New York, NY 10018, filed May 14, 1971. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *passengers and their baggage* in the same vehicle with passengers, over a deviation route as follows: From White Plains, N.Y., over Interstate Highway 287 to junction Interstate Highway 684, thence over Interstate Highway 684 to junction U.S. Highway 202, northeast of Brewster, N.Y., with the following access routes: (1) From junction Interstate Highway 684 and New York Highway 35, near Katonah, N.Y., over New York Highway 35 to junction U.S. Highway 202—New York Highway 118 near Yorktown Heights, N.Y.; and (2) from junction Interstate Highways 84 and 684, east of Brewster, N.Y., over Interstate Highway 84 to junction U.S. Highway 202, and return over the same routes, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over pertinent service routes as follows: (1) From New York, N.Y., over New York Highway 100 to junction New York Highway 100A, thence over New York Highway 100A to junction New York Highway 100, thence over New York Highway 100 to Croton Falls, N.Y., thence over New York Highway 22 to junction unnumbered highway near Bog Brook Reservoir, thence over unnumbered highway to the New York-Connecticut State line; (2) from junction New York Highways 100 and 100A over New York Highway 100 to White Plains, N.Y., thence over New York Highway 119 to junction New York Highway 100A; and (3) from Croton Lake, N.Y., over New York Highway 118 to junction U.S. Highway 6, thence over U.S. Highway 6 to junction New York Highway 22 near Brewster, N.Y., and return over the same routes.

No. MC-13300 (Deviation No. 20), CAROLINA COACH COMPANY, 1201 South Blount Street, Raleigh, NC 27602, filed May 19, 1971. Carrier's representative: Lawrence E. Lindeman, 1032 Pennsylvania Building, Pennsylvania Avenue and 13th Street NW., Washington, DC 20004. Carrier proposes to operate as a

common carrier, by motor vehicle, of *passengers and their baggage*, and *express and newspapers* in the same vehicle with passengers, over a deviation route as follows: From Salisbury, Md., over U.S. Highway 13 to junction Delaware Highway 28, thence over Delaware Highway 28 to Georgetown, Del., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport passengers and the same property, over pertinent service routes as follows: (1) From Baltimore, Md., over Maryland Highway 2 to Annapolis, Md., thence over combined U.S. Highways 50 and 301 to Queenstown, Md., thence over U.S. Highway 50 via Easton, Cambridge, and Salisbury, Md., to Ocean City, Md.; (2) from Pocomoke City, Md., over U.S. Highway 113 to Dover, Del.; and (3) from Norfolk, Va., over U.S. Highway 13 via Bayview, Va., and Salisbury, Md., to Philadelphia, Pa., and return over the same routes.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7702 Filed 6-2-71;8:50 am]

[Notice 18]

MOTOR CARRIER ALTERNATE ROUTE DEVIATION NOTICES

MAY 28, 1971.

The following letter-notices of proposals to operate over deviation routes for operating convenience only have been filed with the Interstate Commerce Commission under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969 (49 CFR 1042.4(d) (11)) and notice thereof to all interested persons is hereby given as provided in such rules (49 CFR 1042.4(d) (11)).

Protests against the use of any proposed deviation route herein described may be filed with the Interstate Commerce Commission in the manner and form provided in such rules (49 CFR 1042.4(d) (12)) at any time, but will not operate to stay commencement of the proposed operations unless filed within 30 days from the date of publication.

Successively filed letter-notices of the same carrier under the Commission's Revised Deviation Rules—Motor Carriers of Property, 1969, will be numbered consecutively for convenience in identification and protests, if any, should refer to such letter-notices by number.

MOTOR CARRIERS OF PROPERTY

No. MC-52953 (Deviation No. 15), ET & WNC TRANSPORTATION COMPANY, 132 Legion Street, Johnson City, TN 37601, filed May 18, 1971. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Greenville, S.C., over Interstate Highway 85 to junction Interstate Highway 285 near Atlanta, Ga., thence over Interstate Highway 285 to junction Interstate Highway 75 (U.S. Highway 41), thence over Interstate Highway 75 (U.S. Highway

41) to junction U.S. Highway 411, thence over U.S. Highway 411 to Rome, Ga., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From Chattanooga, Tenn., over U.S. Highway 11 to Knoxville, Tenn., thence over U.S. Highway 11W (also U.S. Highway 11E) to Bristol, Va., thence over U.S. Highway 19 to junction U.S. Highway 19E, thence over U.S. Highway 19E via Hampton, Tenn., to junction North Carolina Highway 194, thence over North Carolina Highway 194 to Vilas, N.C., thence over U.S. Highway 421 to Greensboro, N.C., thence over U.S. Highway 70 to Raleigh, N.C. (also from Chattanooga to Hampton, Tenn., as specified above, thence over Tennessee Highway 67 to Mountain City, Tenn., thence over U.S. Highway 421 to Vilas, N.C., thence to Raleigh as specified);

(2) From Knoxville, Tenn., over U.S. Highway 70 to Newport, Tenn., thence over Tennessee Highway 35 to Greenville, Tenn., thence over Tennessee Highway 70 to the Tennessee-North Carolina State line, thence over North Carolina Highway 208 to junction U.S. Highway 70, thence over U.S. Highway 70 to Asheville, N.C. (also from Newport over U.S. Highway 70 to Asheville, N.C.); thence over U.S. Highway 74 to Charlotte, N.C., thence over U.S. Highway 29 via Concord, N.C., to junction Alternate U.S. Highway 29, thence over Alternate U.S. Highway 29 to junction U.S. Highway 29 near China Grove, N.C., thence over U.S. Highway 29 to Greensboro, N.C.; (3) from Kingsport, Tenn., over U.S. Highway 23 to Asheville, N.C., thence over U.S. Highway 25 to Greenville, S.C., thence over U.S. Highway 276 to Laurens, S.C.; (4) from Chattanooga, Tenn., over U.S. Highway 27 via Rome, Ga., to Cedartown, Ga. (also from Chattanooga to Rome, Ga., as specified, thence over Georgia Highway 53 to Cave Springs, Ga., thence over Georgia Highway 53 to Cave Springs, Ga., thence over Georgia Highway 161 to Cedartown); (5) from Cleveland, Tenn., over U.S. Highway 64 to Ranger, N.C., thence over U.S. Highway 19 to Blarissville, Ga., thence over U.S. Highway 76 to Westminster, S.C., and return over the same routes; and (6) from Greenville, S.C., over U.S. Highway 123 to Westminster, S.C., and return from Westminster over South Carolina Highway 183 to Walhalla, S.C., thence over South Carolina Highway 28 to junction U.S. Highway 123, thence over U.S. Highway 123 to Liberty, S.C., thence over U.S. Highway 178 to Pickens, S.C., thence over South Carolina Highway 8 to Easley, S.C., thence over U.S. Highway 123 to Greenville, S.C.

No. MC-52953 (Deviation No. 16), ET & WNC TRANSPORTATION COMPANY, 132 Legion Street, Johnson City, TN 37601, filed May 18, 1971. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From Cave Springs, Ga., over U.S. Highway 411 to Gadsden, Ala., thence over U.S. Highway

278 to Cullman, Ala., thence over U.S. Highway 31 to Decatur, Ala., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes, as follows: (1) From Florence, Ala., over U.S. Highway 72 via Huntsville, Ala., to junction U.S. Highway 64 near South Pittsburg, Tenn.; (2) from Florence, Ala., over U.S. Highway 72 to junction Alternate U.S. Highway 72, at or near Tuscumbia, Ala., thence over Alternate U.S. Highway 72 to Huntsville, Ala.; (3) from Savannah, Tenn., over U.S. Highway 64 to Chattanooga, Tenn.; (4) from Chattanooga, Tenn., over U.S. Highway 27 via Rome, Ga., to Cedartown, Ga. (also from Chattanooga to Rome as specified, thence over Georgia Highway 53 to Cave Springs, Ga., thence over Georgia Highway 161 to Cedartown); (4) from Memphis, Tenn., over U.S. Highway 64 to Selmer, Tenn., thence over U.S. Highway 45 to Corinth, Miss., thence over U.S. Highway 72 to Florence, Ala.; and (5) from Selmer, Tenn., over U.S. Highway 64 to Waynesboro, Tenn., thence over Tennessee Highway 13 to Tennessee-Alabama State line, thence over Alabama Highway 17 (formerly Alabama Highway 34) to Florence, Ala., and return over the same routes.

No. MC-89723 (Deviation No. 19), MISSOURI PACIFIC TRUCK LINES, INC., 210 North 13th Street, St. Louis, MO 63103, filed May 18, 1971. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: Between Nebraska City, Nebr., and Lincoln, Nebr., over Nebraska Highway 2, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over pertinent service routes as follows: (1) From the Kansas-Nebraska State line over U.S. Highway 73 to Omaha, Nebr.; and (2) from Union, Nebr., over U.S. Highway 34 to Lincoln, Nebr., and return over the same routes.

No. MC-103017 (Deviation No. 4), MERCURY MOTOR FREIGHT LINES, INC., 954 Hersey Street, St. Paul, MN 55114, filed May 17, 1971. Carrier proposes to operate as a *common carrier*, by motor vehicle, of *general commodities*, with certain exceptions, over a deviation route as follows: From junction U.S. Highway 14 and Illinois Highway 31 over Illinois Highway 31 to junction Illinois Highway 62, thence over Illinois Highway 62 to junction Barrington Road, thence over Barrington Road to junction Interstate Highway 90, thence over Interstate Highway 90 to Chicago, Ill., and return over the same route, for operating convenience only. The notice indicates that the carrier is presently authorized to transport the same commodities, over a pertinent service route as follows: Between Madison, Wis., and Chicago, Ill., over U.S. Highway 14.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7701 Filed 6-2-71; 8:50 am]

[Notice 44]

MOTOR CARRIER APPLICATIONS AND CERTAIN OTHER PROCEEDINGS

MAY 28, 1971.

The following publications are governed by the new Special Rule 247 of the Commission's rules of practice, published in the FEDERAL REGISTER, issue of December 3, 1963, which became effective January 1, 1964.

The publications hereinafter set forth reflect the scope of the applications as filed by applicant, and may include descriptions, restrictions, or limitations which are not in a form acceptable to the Commission. Authority which ultimately may be granted as a result of the applications here noticed will not necessarily reflect the phraseology set forth in the application as filed, but also will eliminate any restrictions which are not acceptable to the Commission.

MOTOR CARRIERS OF PROPERTY

No. MC 72495 (Sub-No. 7) (Republication), filed March 9, 1970, published in the FEDERAL REGISTER issue of June 11, 1970, and republished this issue. Applicant: DON SWART TRUCKING, INC., Box 49, Wellsburg, WV 26070. Applicant's representative: Ronald W. Kasserman, 900 Riley Law Building, Wheeling, W. Va. 26003. A report and recommended order of the Hearing Examiner of March 19, 1971, which was made effective on April 19, 1971, and notice served April 28, 1971, finds; that the present and future public convenience and necessity require operation by applicant as a common carrier by motor vehicle in interstate or foreign commerce of petroleum coke, over irregular routes, from Cresap, W. Va., to Baltimore, Md. Because it is possible that other persons who may have relied upon the notice of the application as published in the FEDERAL REGISTER may have an interest in and would be prejudiced by the lack of proper notice, a notice of the authority actually granted applicant will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file a petition to reopen or for other appropriate relief setting forth in detail the precise manner in which it has been so prejudiced.

No. MC 123048 (Sub-No. 183) (Republication), filed November 12, 1970, published in the FEDERAL REGISTER issue of December 3, 1970, and republished this issue. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., 1919 Hamilton Avenue, Racine, WI 53401. Applicant's representatives: Paul C. Gartzke, 121 West Doty Street, Madison, WI 53703, and Paul L. Martinson (same address as applicant). The modified procedure has been followed in this proceeding and an order of the Commission, Operating Rights Board, dated May 11, 1971, and served May 24, 1971, finds; that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a common carrier by motor

vehicle, over irregular routes, of (1) (a) tractors (except those with vehicle beds, bed frames and fifth wheels); (b) equipment designed for use in connection with tractors; (c) agricultural, industrial and construction machinery and equipment; (d) trailers designed for the transportation of the above described commodities (except trailers designed to be drawn by passenger automobiles); (e) attachments for the above described commodities; (f) internal combustion engines; and (g) parts of the above described commodities when moving in mixed loads with such commodities, from the plants, warehouse sites, and experimental farms of Deere & Co. in Rock Island County, Ill., to points in Indiana, Kentucky, Ohio, West Virginia, and points in the Lower Peninsula of Michigan; and

(2) Returned shipments on return from the destination States named above to the named plants, warehouse sites, and experimental farms of Deere & Co. in Rock Island County, Ill., restricted in (1) above to the transportation of traffic originating at the plants, warehouse sites and experimental farms of Deere & Co. and in (2) above to the transportation of traffic destined to such facilities of Deere & Co.; subject to the following conditions: (1) That the above-entitled proceeding be, and it is hereby, held open for further consideration of applicant's fitness subsequent to the determination of No. MC-123048 (Sub-No. 185); (2) that any grant of authority ultimately issued in this order, and applicant's existing authority that it duplicates, shall be construed as conferring only a single operating right; (3) that because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings in this order, a notice of the authority actually granted will be published in the FEDERAL REGISTER and for a period of 30 days from the date of such publication, any proper party in interest may file an appropriate petition for leave to intervene in this proceeding setting forth in detail the precise manner in which it has been so prejudiced.

No. MC 126645 (Sub-No. 3) (republication), filed September 27, 1970, published in the FEDERAL REGISTER issue of October 15, 1970, and republished this issue. Applicant: ROSCOE ORWICK AND FRANCES ORWICK, a partnership, doing business as: ROSCOE AND FRANCES, 163 Kings Highway, Altoona, PA 16602. Applicant's representative: Arthur J. Diskin, 806 Frick Building, Pittsburgh, PA 15219. The modified procedure has been followed in this proceeding, and an order of the Commission, Operating Rights Board, dated April 23, 1970, and served May 20, 1971, finds; that operation by applicant, in interstate or foreign commerce, as a contract carrier by motor vehicle, over irregular routes, of ice cream, frozen dairy products, fruit juices, sherbet, milk, cottage cheese and buttermilk, in vehicles equipped with mechanical refrigeration,

from Pittsburgh, Pa., to points in Maryland and the District of Columbia, under a continuing contract or contracts with Sealtest Foods, Division of Kraftco Corp., of Pittsburgh, Pa., will be consistent with the public interest and the national transportation policy. Because it is possible that other parties who have relied upon the notice in the FEDERAL REGISTER of the application as originally published may have an interest in and would be prejudiced by the lack of proper notice of the grant of authority without the requested limitation in our findings herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of the permit in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been prejudiced.

No. MC 134631 (Sub-No. 4) (Republication), filed November 12, 1970, published in the FEDERAL REGISTER issue of December 3, 1970, and republished this issue. Applicant: SCHULTZ TRANSIT, INC., Post Office Box 503, Winona, MN 55987. Applicant's representative: Val M. Higgins, 1000 First National Bank Building, Minneapolis, Minn. 55402. The modified procedure has been followed in this proceeding and an order of the Commission, Operating Rights Board, dated April 29, 1971, and served May 20, 1971, finds; (1) that operation by applicant, in interstate or foreign commerce, as a contract carrier by motor vehicle, over irregular routes, of candy and cherries, from Winona, Minn., to Atlanta, Ga., Boston, Mass., Charlotte, N.C., and points in Illinois, Indiana, Kentucky, Michigan, New Jersey, New York, Ohio, and Pennsylvania, under a continuing contract with Schuler Chocolates, Inc., of Winona, Minn., will be consistent with the public interest and the national transportation policy; that applicant is fit, willing, and able properly to perform such service and to conform to the requirements of the Interstate Commerce Act and the Commission's rules and regulations thereunder; that an appropriate permit should be issued; and (2) that the holding by applicant of the permit authorized to be issued in this proceeding and the holding by applicant of a certificate heretofore issued in No. MC-118202 will be consistent with the public interest and the national transportation policy, subject to the conditions that the permit granted herein shall be subject to the right of the Commission, which is hereby expressly reserved, to impose such terms, conditions, or limitations in the future as it may find necessary in order to insure that applicant's operations conform to the provisions of section 210 of the Interstate Commerce Act. Because it is possible that other parties, who have relied upon the notice of the application as published, may have an interest in and would be prejudiced by the lack of proper notice of the authority described in the findings in this order, a notice of the authority actually granted will be pub-

lished in the FEDERAL REGISTER and issuance of a permit in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene in the proceeding setting forth in detail the precise manner in which it has been so prejudiced.

No. MC 134935 (Republication) filed September 14, 1970, published in the FEDERAL REGISTER issue of October 8, 1970, and republished this issue. Applicant: DENOYER BROS. MOVING & STORAGE CO., a corporation, Post Office Box 109, Traverse City, MI 49684. Applicant's representative: Robert D. Schuler, 1 Woodward Avenue, Suite 1700, Detroit, MI 48226. The modified procedure has been followed in this proceeding and a report and order of the Commission, Review Board No. 3, decided May 10, 1971, and served May 19, 1971, finds; that the present and future public convenience and necessity require operation by applicant, in interstate or foreign commerce, as a common carrier by motor vehicle, over irregular routes, of used household goods, between points in Emmet, Cheboygan, Charlevoix, Otsego, Antrim, Leelanau, Benzie, Grand Traverse, Kalkaska, Crawford, Manistee, Wexford, Musaukee, Roscommon, Mason, Lake, Osceola, Clare, Oceana, Newago, Mecosta, Isabella and Muskegon Counties, Mich., restricted to the transportation of shipments having a prior or subsequent movement, in containers, beyond the points authorized, and further restricted to the performance of pick up and delivery service in connection with packing, crating and containerization or unpacking, uncrating decontainerization of such shipments. Because it is possible that other parties, who have relied upon the notice as published, may have interest in and would be prejudiced by the lack of proper notice of the authority described in the findings herein, a notice of the authority actually granted will be published in the FEDERAL REGISTER and issuance of a certificate in this proceeding will be withheld for a period of 30 days from the date of such publication, during which period any proper party in interest may file an appropriate petition for leave to intervene or other appropriate relief setting forth in detail the precise manner in which it has been so prejudiced.

APPLICATIONS FOR CERTIFICATES OR PERMITS WHICH ARE TO BE PROCESSED CONCURRENTLY WITH APPLICATIONS UNDER SECTION 5 GOVERNED BY SPECIAL RULE 240 TO THE EXTENT APPLICABLE

No. MC 109533 (Sub-No. 47), filed May 5, 1971. Applicant: OVERNITE TRANSPORTATION CO., a corp., 1100 Commerce Road, Richmond, VA 23224. Applicant's representative: Eugene T. Lilpfert, Suite 1100, 1660 L Street NW, Washington, DC 20036. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: General commodities (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), be-

tween points in Cabell, Putnam, Kanawha, Mason, Jackson, Roane, Calhoun, Gilmer, Wirt, Wood, Lewis, Upshur, Randolph, and Ritchie Counties, W. Va., which are within 75 miles of Gatewood, W. Va., and which are located on and north of U.S. Highway 60. Note: The instant application is a matter directly related to No. MC-F-11172 published in the FEDERAL REGISTER issue of May 26, 1971. Applicant states that the requested authority would connect with its existing authority at South Charleston, W. Va., or other common points, authorizing service to West Virginia points within 75 miles of Bluefield, W. Va. This authority in turn connects with applicant's other authority to serve points in Virginia, Tennessee, North Carolina, South Carolina, Georgia, and Alabama. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

APPLICATIONS UNDER SECTIONS 5 AND 210a(b)

The following applications are governed by the Interstate Commerce Commission's special rules governing notice of filing of applications by motor carriers of property or passengers under sections 5(a) and 210a(b) of the Interstate Commerce Act and certain other proceedings with respect thereto (49 CFR 1.240).

MOTOR CARRIERS OF PROPERTY

No. MC-F-11180. Authority sought for purchase by McLEOD TRUCKING, INC., 2401 East Fifth Street, Reno, NV 89504, (Mailing address: Post Office Box 366), of a portion of the operating rights of RINGSBY TRUCK LINES, INC., 3201 Ringsby Court, Denver, CO 80216, and for acquisition by FRANK BENDER, Post Office Box 4300, Reno, NV 89501 and JOHN TOM ROSS, Post Office Box 635, Carson City, NV 89701, of control of such rights through the purchase. Applicants' attorney: Martin J. Rosen, 140 Montgomery Street, San Francisco, CA 94104. Operating rights sought to be transferred: *General commodities*, excepting among others, livestock, household goods and commodities in bulk, as a *common carrier* over regular routes, between Yerington and Reno, Nev., serving the intermediate and off-route points of Weeks, Wabuska, Smith, Wellington, and Mason, Nev.; *feed, ranch machinery, and supplies*, over irregular routes, from Reno and Fallon, Nev., to Yerington, Nev., and points within 35 miles thereof, between points within 35 miles of Yerington, Nev., including Yerington, Nev. Vendee is authorized to operate as a *common carrier* in Nevada and California. Application has been filed for temporary authority under section 210a(b).

No. MC-F-11181. Authority sought for purchase by BEKINS MOVING & STORAGE CO. (a Washington Corporation), 9401 Aurora Avenue North at 95th Street, Seattle, WA 98103, of the operating rights of (A) BEKINS MOVING & STORAGE CO. (Oregon Corporation), 407 North Broadway, Portland, OR 97208 and (B) BEKINS MOVING & STORAGE CO. (Idaho Corporation), 631 South

Ninth Street, Boise, ID 83707, and for acquisition by CLAUDE and FRED BEKINS, both of Seattle, Wash. 98103, and BRUCE J. BEKINS, Route 3, Box 755, Bend, OR 97701, of control of such rights through the purchase. Applicants' attorney: Russell S. Bernhard, 1625 K Street NW., Washington, DC 20006. Operating rights sought to be transferred: (A) *Household goods*, as defined by the Commission, as a *common carrier* over irregular routes, between points in Oregon, on the one hand, and, on the other, points in Washington within 50 miles of Portland, Oreg.; (B) *household goods* as defined in *Practices of Motor Common Carriers of Household Goods*, 17 M.C.C. 467, between points and places in Idaho. Vendee is authorized to operate as a *common carrier* in Idaho and Washington. Application has not been filed for temporary authority under section 210a(b). Note: MC-84719 Sub 6 is a matter directly related.

No. MC-F-11182. Authority sought for purchase by GOTTRY CORP., 999 Beahan Road, Rochester, NY 14624, of the operating rights of J. N. WILSON CO., INC., 128 West Third Street, Erie, PA 16507, and for acquisition by RICHARD HIGGINS, 146 Hillside Drive, Orchard Park, NY and WILLIAM HIGGINS, 130 Brantwood, Snyder, NY, of control of such rights through the purchase. Applicants' attorney: Robert V. Gianniny, 900 Midtown Tower, Rochester, NY 14604. Operating rights sought to be transferred: *Heavy machinery, road and building construction equipment, and such commodities*, other than those specified above, as required special handling or rigging because of size or weight, and *such incidental tools, materials, equipment, and supplies* as are usually transported in connection with all these foregoing commodities, as a *common carrier* over irregular routes, between points in Erie County, Pa., on the one hand, and, on the other, points in New York and Ohio, and the Lower Peninsula of Michigan. Vendee is authorized to operate as a *common carrier* in New York, Connecticut, Delaware, Illinois, Indiana, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and the District of Columbia. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-11183. Authority sought for purchase by DALLAS & MAVIS FORWARDING CO., INC., 4000 West Sample Street, South Bend, IN 46621, of a portion of the operating rights of STEFFEN TRANSFER CO., 3165-67 South Kingshighway Boulevard, St. Louis, MO 63139, and for acquisition by PAUL A. MAVIS, also of South Bend, Ind. 46621, of control of such rights through the purchase. Applicants' attorneys: Austin C. Knetzger, 1011 International Office Building, 722 Chestnut Street, St. Louis, MO 63101 and Charles Pieroni, 4000 West Sample Street, South Bend, IN 46621. Operating rights sought to be transferred: *General commodities*, as a *common carrier* over irregular routes, between points in the

St. Louis, Mo.-East St. Louis, Ill., commercial zone, as defined by the Commission. Vendee is authorized to operate as a *common carrier* in all of the States in the United States (except Hawaii). Application has not been filed for temporary authority under section 210a(b).

No. MC-F-11184. Authority sought to be purchased by CENTRAL TRUCK LINES, INC., 3825 Henderson Boulevard, Post Office Box 18464, Tampa, FL 33609, of a portion of the operating rights of MOTOR EXPRESS, INC., 410 Lincoln Building, Cleveland, Ohio 44114, and for acquisition by U.S. TRUCK LINES, INC. OF DELAWARE, 1602 Union Commerce Building, Cleveland, Ohio 44115, of control of such rights through the purchase. Applicants' attorney: David M. Schwartz, Suite 300, 1700 Pennsylvania Avenue, NW., Washington, DC 20006. Operating rights sought to be transferred: *General commodities*, with exceptions, as a *common carrier*, over regular routes, between Cleveland and Akron, Ohio, serving all intermediate points. Vendee is authorized to operate as a *common carrier* in Georgia, Florida, Ohio, Louisiana, Alabama, Kentucky, and Tennessee. Application has not been filed for temporary authority under section 210a(b). Note: Transferee and transferor are both controlled by U.S. Truck Lines, Inc., of Delaware through 100 percent stock ownership. The purpose of the proposed transaction is to permit transferee to serve Cleveland and those points in the Cleveland commercial zone not already authorized transferee.

No. MC-F-11185. Authority sought for purchase by TERMINAL TRANSPORT CO., INC., 248 Chester Avenue SE., Atlanta, GA 30316, of a portion of the operating rights of (A) MICHIGAN EXPRESS, INC., 1122 Freeman Avenue SW., Grand Rapids, MI 49502, and (B) CUSHMAN MOTOR DELIVERY CO., 1480 West Kinzie Street, Chicago, IL 60622, and for acquisition by AMERICAN COMMERCIAL LINES, INC., Box 13244, Houston, TX 77019, and TEXAS GAS TRANSMISSION CORP., 300 Frederica Street, Post Office Box 1160, Owensboro, KY 42301, of control of such rights through the purchase. Applicants' attorney: Carl L. Steiner, 39 South La Salle Street, Chicago, IL 60603. Operating rights sought to be transferred: (A) *General commodities*, excepting among others, livestock, classes A and B explosives, household goods and commodities in bulk, as a *common carrier*, over regular routes, between Chicago, Ill., and St. Louis, Mo., serving the intermediate point of East St. Louis, Ill., and the intermediate and off-route points in the *Chicago, Ill., Commercial Zone*, as defined by the Commission in 1 M.C.C. 673, between Springfield, Ill., and Hammond, Ind., between Rock Island, Ill., and Chicago, Ill., serving all intermediate points, and the off-route points of Rock Falls, Ill., those in the *Chicago, Ill., Commercial Zone* as defined by the Commission in 1 M.C.C. 673, and those in the *Davenport-Rock Island and Moline Commercial*

Zone as defined by the Commission in 41 M.C.C. 557, between Dixon, Ill., and La Salle, Ill., serving all intermediate points and the off-route points and the off-route point of Peru, Ill., between Aurora, Ill., and junction U.S. Highways 52 and 30, serving no intermediate points, over one alternate route for operating convenience only, between junction Illinois Highways 2 and 78 and junction Illinois Highways 78 and 92, between junction Illinois Highways 2 and 88 and junction Illinois Highways 88 and 92, between junction Illinois Highways 2 and 26 and junction Illinois Highways 26 and 92, between junction Illinois Highways 92 and 89 and La Salle, Ill., between junction U.S. Highway 51 and alternate U.S. Highway 30 and junction U.S. Highways 51 and 52, in connection with carrier's regular route operations authorized above, serving no intermediate points, between junction U.S. Highways 30 and 52 at or near Lee Center, Ill., and junction U.S. Highway 30 and Illinois Highway 2 at Rock Falls, Ill., serving the intermediate point of Rock Falls, Ill.; *general commodities*, excepting among others, classes A and B explosives, household goods, and commodities in bulk, over irregular routes, between points in the St. Louis, Mo.-East St. Louis, Ill., commercial zone, as defined by the Commission in 2 M.C.C. 285, between points in the *Chicago, Ill., Commercial Zone* as defined by the Commission in 1 M.C.C. 673, between Rock Island, Milan, Moline, East Moline, Silvis, and Carbon Cliff, Ill., and Davenport and Bettendorf, Iowa; and

(B) General commodities, except commodities in bulk, over regular routes, between Chicago Ill., and Milwaukee, Wis., between Chicago, Ill., and junction U.S. Highway 41 and Illinois Highway 42-A (near Gurnee, Ill.), between Chicago, Ill., and junction Eden's Expressway and U.S. Highway 41, somewhat north of Lake Avenue, in connection with carrier's regular route operations authorized herein, serving no intermediate points, with restriction, over one alternate route for operating convenience only; over irregular routes in the commercial area of Milwaukee, Wis., as described in appendix I, White Fish Bay, Shorewood, North Milwaukee, Wauwatosa, West Allis, Root Creek, Cudahy, Fox Point, Greendale, South Milwaukee and intermediate points. Vendee is authorized to operate as a *common carrier* in Indiana, Alabama, Georgia, Florida, Illinois, Tennessee, Kentucky, Ohio, Michigan, and Missouri. Application has been filed for temporary authority under section 210a (b). Note: Authority sought in (B) is pursuant to MC-F-9856, approved by order of December 20, 1968, and consummated July 8, 1969, certificate not yet issued.

No. MC-F-11186. Authority sought for purchase by POTTER FREIGHT LINES, INC., Post Office Box 428, Sparta, TN 38583, of a portion of the operating rights of TENNESSEE CAROLINA TRANSPORTATION, INC., 40 Nance Lane, Post Office Box 7308, Nashville, TN 37210, and for acquisition by WAYMAN

Hill, and CHARLES HERSHISER, both of Sparta, TN 38583, and STANTON D. TUBB, 200 South Carter, Sparta, TN 38583, of control of such rights through the purchase. Applicants' attorney: James Clarence Evans, 1800 Third National Bank Building, Nashville, Tenn. 37219. Operating rights sought to be transferred: *General commodities*, excepting among others, classes A and B explosives, household goods and commodities in bulk, as a *common carrier* over regular routes, between Livingston, Tenn., and Cookeville, Tenn., serving all intermediate points. Vendee is authorized to operate as a *common carrier* in Tennessee. Application has not been filed for temporary authority under section 210a(b).

No. MC-F-11187. Authority sought for control by MOTEK CORP., a noncarrier, Van Buren and Madison Streets, Valley Forge Industrial Park, Valley Forge, PA 19481, of C.S.I., INC., doing business as CONTRACT SERVICE, INC., Trewigtown Road, Colmar, PA 18915, and for acquisition by MARK R. HERR AND BYRON E. READING, both of Valley Forge, Pa. 19481, of control of C.S.I., INC., through the acquisition by MOTEK CORPORATION. Applicants' attorney: Maxwell A. Howell, 1511 K Street NW., Washington, DC 20005. Operating rights sought to be controlled: *Soil pipe and fittings*, as a *common carrier*, over regular routes, from Quakertown, Pa., to Rosslyn, Va., serving the intermediate point of Washington, D.C., restricted to delivery only; and the off-route point of Lansdale, Pa., restricted to pickup only; *asbestos and asbestos products*, over irregular routes, from Ambler, Pa., to points in Delaware, Maryland, New Jersey, New York, Virginia, Connecticut, Rhode Island, Massachusetts, Maine, New Hampshire, Vermont, and the District of Columbia, from Meredith, N.H., to Ambler, Pa., from the plantsite of Nicolet Industries, Inc., at Norristown, Pa., to points in Delaware, Maryland, Virginia, Connecticut, Rhode Island, Massachusetts, New York (except points in Nassau and Westchester Counties, N.Y., commercial zone, as defined by the Commission), and New Jersey (except Paterson, Clifton, Passaic, Hackensack, Teaneck, Garfield, Rutherford, Ridgefield, Ridgefield Park, Palisades Park, Cliffside Park, and Fort Lee, N.J.), and the District of Columbia;

Asbestos products, from Lansdale and Quakertown, Pa., to Baltimore, and Crisfield, Md., Bridgeton, Camden, and Newark, N.J., Wilmington, Del., and Washington, D.C.; *tile*, from Lansdale, Pa., to points in Delaware, Maryland, New Jersey, New York, Virginia, Massachusetts, Rhode Island, Connecticut, and the District of Columbia, from the plantsite of the American Olean Tile Co., Inc., Richland Township, Pa., to Lansdale, Pa.; *soil pipe and soil pipe fittings*, from Lansdale and Quakertown, Pa., to points in Delaware, Maryland, New Jersey, New York, Virginia, Massachusetts, Rhode Island, Connecticut, and the District of Columbia, from Philadelphia, Pa., to points in Delaware, Maryland, New Jersey, New

York, Virginia, and the District of Columbia, from Ambler, Pa., to Baltimore and Crisfield, Md., Bridgeton, Camden, and Newark, N.J., Wilmington, Del., and Washington, D.C.; *plumbing supplies*, from Ambler, Lansdale, and Quakertown, Pa., to Baltimore and Crisfield, Md., Bridgeton, Camden, and Newark, N.J., Wilmington, Del., and Washington, D.C.; *plumbers' castings*, from Lansdale, Quakertown, and Philadelphia, Pa., to points in Delaware, Maryland, New Jersey, New York, Virginia, and the District of Columbia; *manufactured fertilizers and fertilizer ingredients*, dry in bags (not including fertilizers for flower beds or garden use), from Baltimore, Md., and points within 15 miles of Baltimore, to certain specified points in Pennsylvania; *dry earth pigments*, in bags, casks, and barrels, between Bethlehem, Pa., on the one hand, and, on the other, Newark, N.J., and points in New Jersey within 25 miles of Newark; points in New York within the New York commercial zone as defined by the Commission in New York, N.Y., Commercial Zone, 1 M.C.C. 665, 2 M.C.C. 191, Baltimore, Md., and the District of Columbia; *materials* used in the manufacture of tile, from points in Kentucky, Tennessee, New Hampshire, Massachusetts, Maine, Virginia, Delaware, West Virginia, New Jersey, North Carolina, New York, and Maryland, to Lansdale, Pa.; *scrap iron and other materials* used in the manufacture of soil pipe and soil pipe fittings, from points in Massachusetts, Rhode Island, New York, Connecticut, New Jersey, Delaware, Maryland, Virginia, and the District of Columbia; *clay facing tile, and chinaware bathroom fixtures*, from Lansdale, Pa., to Chicago, Ill., Detroit, Mich., Kansas City, Mo., and points in Florida; *plumbers' castings, soil pipe and soil pipe fittings*, from Lansdale and Quakertown, Pa., to points in Maine, New Hampshire, and Vermont, with restriction; *conduit, pipe and accessories* for installation of such conduit and pipe, from Ambler, Pa., to Philadelphia, Pa.;

Asbestos-cement pipe and conduit; plastic pipe and conduit; asbestos-cement building materials; the following building materials: sidings, building, wall and insulating boards, gutters, spouts, and roofing materials; and fittings, accessories, and equipment to be used in the installation of the foregoing commodities, excluding, as to all of the transportation authorized in this paragraph the transportation of commodities in bulk, and the transportation of commodities which, because of size or weight, requires special equipment, and returning with return shipments of the above-specified commodities, from the plantsite and warehouse of Certain-Teed Products Corp., Cheektowaga, N.Y., to points in Connecticut, Delaware, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, and the District of Columbia. MOTEK CORPORATION holds

no authority from this Commission. However, it is affiliated with LANSDALE TRANSPORTATION CO., INC., 1330 North Broad Street, Post Office Box 392, Landsdale, PA 19446, which is authorized to operate as a common carrier in Pennsylvania, New York, New Jersey, Virginia, Delaware, Maryland, and the District of Columbia. Application has been filed for temporary authority under section 210a(b).

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7703 Filed 6-2-71;8:50 am]

[Notice 697]

MOTOR CARRIER TRANSFER PROCEEDINGS

MAY 28, 1971.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-72836. By order of May 26, 1971, the Motor Carrier Board approved the transfer to Willis Day Moving & Storage Co., a corporation, Toledo, Ohio, of the operating rights in Certificate No. MC-60602, issued November 28, 1950, to Willis Day Storage Co., a corporation, Toledo, Ohio, authorizing the transportation of: Household goods as defined by the Commission in 17 M.C.C. 467, over irregular routes, between points in Ohio, Delaware, Illinois, Indiana, Maryland, Michigan, New Jersey, New York, Pennsylvania, and the District of Columbia. Walter E. Apple, attorney for applicants, 405 Madison Avenue, Toledo, OH 43604.

No. MC-FC-72866. By order of May 26, 1971, the Motor Carrier Board approved the transfer to Zipp Trucking, Inc., Marion, Ohio, of Permit No. MC-128364, issued July 5, 1967, to C. C. Plumley, Marion, Ohio, authorizing the transportation of: Iron and steel and iron and steel products, from Marion, Ohio, to

points in the lower Peninsula of Michigan, David L. Pemberton, attorney, 88 East Broad Street, Columbus, OH 43215.

No. MC-FC-72873. By order of May 25, 1971, the Motor Carrier Board approved the transfer to John Himmer Transfer, Inc., Pittsburgh, Pa., of the operating rights in Certificate No. MC-27789 (Sub-No. 2), issued February 19, 1957, to John W. Brown, Jr., Inc., Pittsburgh, Pa., authorizing the transportation of building materials and building contractors' equipment and supplies, between points in Allegheny, Washington, Westmoreland, and Fayette Counties, Pa. Arthur J. Diskin, 806 Frick Building, Pittsburgh, Pa. 15219, attorney for applicants.

No. MC-FC-72877. By order of May 26, 1971, the Motor Carrier Board approved the transfer to Banning Transportation, Inc., Oklahoma City, Okla., of certificate No. MC-113851 and No. MC-113851 (Sub-No. 1), issued March 20, 1969 and November 30, 1970, respectively, to Dempsey Transportation, Inc., authorizing the transportation of: Houses, except knocked-down houses, between points in Texas, New Mexico, Oklahoma, and a described portion of Kansas; heavy machinery and engines from and to points on rail lines in a described portion of Kansas and a described portion of Nebraska; portable houses and buildings, between points in a described portion of Colorado, Kansas, and Nebraska; and buildings, complete, knocked down or in sections, and all component parts and materials used in assembling, erection or completion of such buildings, between points in Kansas, on the one hand, and, on the other, points in Colorado and Nebraska. Richard Freeman, Suite 701, Hightower Building, Oklahoma City, Okla., and David D. Brunson, 419 Northwest Sixth Street, Oklahoma City OK 73102, attorney for applicants.

No. MC-FC-72879. By order of May 26, 1971, the Motor Carrier Board approved the transfer to Willard D. Perreault, Valentia, Ontario, Canada, of the operating rights in certificate No. MC-116106 issued April 2, 1963, to Smithlands Ltd., Oshawa, Ontario, Canada, authorizing the transportation of livestock, other than ordinary, between ports of entry on the United States-Canada boundary line at Buffalo and Niagara Falls, N.Y., on the one hand, and, on the other, points in New York, Pennsylvania, New Jersey, Virginia, Ohio, Illinois, Indiana, Maryland, and Michigan; between ports of entry at or near Buffalo, Niagara Falls, Ogdensburg, and Alexandria Bay, N.Y., and Detroit and Port Huron, Mich., on the one hand, and, on the other, points in New Hampshire, North Caro-

lina, South Carolina, Georgia, and Florida; ponies, other than ordinary, between ports of entry at or near Buffalo, Niagara Falls, Ogdensburg, and Alexandria Bay, N.Y., on the one hand, and, on the other, points in North Carolina, South Carolina, Georgia, and Florida; ponies, other than ordinary, from ports of entry at or near Buffalo, Niagara Falls, Ogdensburg, and Alexandria Bay, N.Y., and Detroit and Port Huron, Mich., to points in Illinois, Indiana, and Michigan; and livestock, other than ordinary, from ports of entry at or near Ogdensburg and Alexandria Bay, N.Y., and Detroit and Port Huron, Mich., to points in Illinois, New York, Pennsylvania, New Jersey, Virginia, Ohio, Indiana, Maryland, and Michigan. William J. Hirsch, 35 Court Street, Buffalo, NY 14202, attorney for applicants.

No. MC-FC-72900. By order of May 26, 1971, the Motor Carrier Board approved the transfer to Harris Oil Co., a corporation, Imperial, Calif., of the operating rights in certificate No. MC-124588 issued December 6, 1962 to Stevens H. Harris, doing business as Harris Oil Co., Imperial, Calif., authorizing the transportation of liquid petroleum products from Colton, Niland, and Imperial, Calif. to specified points and areas in California and Arizona. Phil Jacobson, 510 West Sixth Street, Los Angeles, CA 90014, attorney for applicants.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7705 Filed 6-2-71;8:50 am]

[Notice 697-A]

MOTOR CARRIER TRANSFER PROCEEDINGS

MAY 28, 1971.

Application filed for temporary authority under section 210(a) (b) in connection with transfer application under section 212(b) and Transfer Rules, 49 CFR Part 1132:

No. MC-FC-72920. By application filed May 26, 1971, TAN LINE, INC., 2 Johnsfeld Court, Huntington Station, NY 11745, seeks temporary authority to lease the operating rights of UNITED SERVICES & PROJECTS, INC., 145-79 226th Street, Rosedale, NY, under section 210a (b). The transfer to TAN LINE, INC., of the operating rights of UNITED SERVICES & PROJECTS, INC., is presently pending.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.71-7704 Filed 6-2-71;8:50 am]

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